

WEST LONG BRANCH SCHOOL DISTRICT

WEST LONG BRANCH
BOARD OF EDUCATION
WEST LONG BRANCH, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

WEST LONG BRANCH SCHOOL DISTRICT

WEST LONG BRANCH, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

Prepared by
West Long Branch School District
Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INTRODUCTORY SECTION

**West Long Branch Public Schools
Administrative Offices
135 Locust Avenue
West Long Branch, New Jersey 07764
(732) 222-5900 – Fax (732) 222-9325**

Herbert C. Massa
Interim Superintendent/Business Administrator

Jo Ann Podracky
Interim Asst. SBA/BA

October 19, 2012

Honorable President and
Members of the Board of Education
West Long Branch Public Schools
West Long Branch, NJ 07764

Dear Board Members:

The comprehensive annual financial report of the West Long Branch School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards, Board Statement 34. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: 1) Introductory; 2) financial; 3) statistical; 4) single audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The West Long Branch Public School District is an independent reporting entity within the criteria adopted by GASB Statement No. 14. All Funds and account groups of the District are

included in this report. The West Long Branch Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K, and K through 8. These include regular instruction and special education for handicapped youngsters in and out of district. The District completed the 2011-2012 fiscal year with an enrollment of 602 students, which reflects a decrease of 17 of the students from previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	602	(0.028%)
2010-2011	619	(.006%)
2009-2010	623	(4.44%)
2008-2009	652	1.56%
2007-2008	642	(9.07%)

2. ECONOMIC CONDITION AND OUTLOOK

West Long Branch area is a suburban residential community with large retail stores located at its perimeter on Route 36. Single-family home developments are occurring in the Borough. The single-family developments are not expected to have a significant impact on district enrollment. Avalon at West Long Branch is a 180 unit four building development of loft, one bedroom, two bedrooms and three bedroom apartments which broke ground in the spring of 2010. Although marketed through "Young Professionals" the new units may have an impact on student enrollment.

3) MAJOR INITIATIVES

During the 2012 –2013 school year, the district will be undertaking the following initiatives to support the seven district goals:

1. Finalize share or no share superintendent.
2. Successful Interlaken migration.
3. No tax increase.
4. Realign Superintendent and Business Office Staff.
5. Appropriate teacher discipline.
6. Reduce audit recommendations.
7. Finish the year with surplus.

Provide an educational program that promotes excellence and delivers a strong foundation supporting academic and professional success in the 21st century.

- Implement New Teaching Schedule
- Raise expectations for achievement for all students and support each student in striving to reach his/her individual goals.
- Implement a 5-year cycle of program review. Programs to be reviewed in 2012-2013

- include Social Studies and Language Arts.
- Implement district's Professional Development Plan (PDP) through alignment of curriculum to the New Jersey Core Curriculum Content Standards (NJCCCS).
- Implement horizontal and vertical articulation designed to improve student achievement in in Grade4-6 during 2012-2013.

II. Goal Area: Finance

Develop and implement a plan for governance and fiscal excellence through analysis of the district's business management practices, staffing requirements, and budgeting practices.

- Identify three cost saving initiatives that could be implemented without impacting the thorough and efficient education provided to the children of West Long Branch.
- Seek to share services
- Increase Revenue by servicing Interlaken Borough Students
- Establish computerized accounting system for the proprietary accounts.

III. Goal Area: Long Range Planning

Develop a culture of long range planning that supports continuous improvement while addressing the impact of declining enrollment and economically challenging times.

- Plan for implementation of the alternative.
- Examine feasibility of combining Business Office operations with another district.
- Continue to explore opportunities for shared services, improved efficiencies and cost reduction activities.

4) INTERNAL ACCOUNTING CONTROLS

Management of the Borough of West Long Branch School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District is also responsible for reinsuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District management and the auditor.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT

The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity.

9) OTHER INFORMATION

Independent Audit – State Statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The Board selected the firm of Paduano, DiTommaso & Golda, LLC. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10) ACKNOWLEDGMENTS

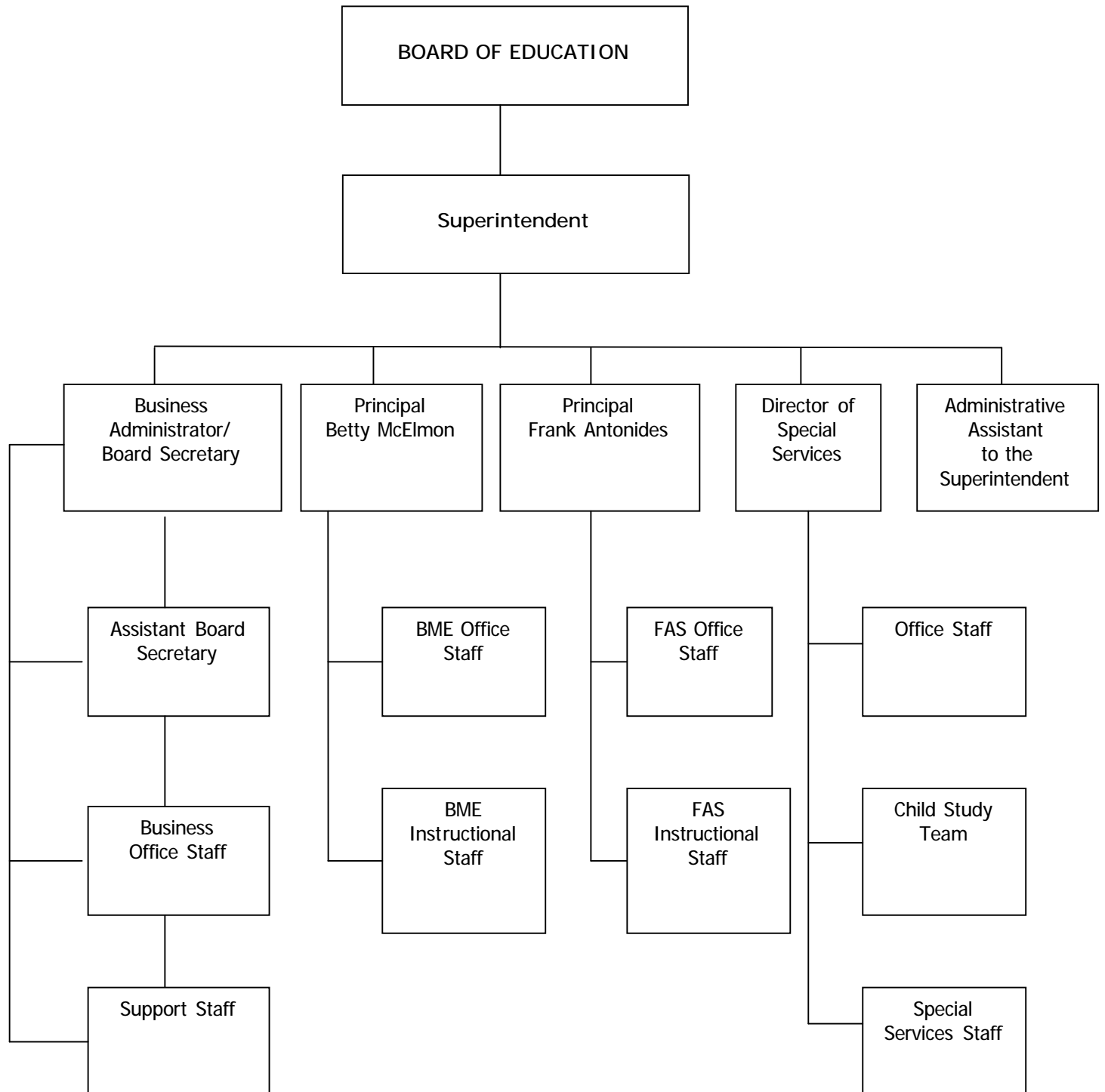
We would like to express our appreciation to the members of the West Long Branch Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District, as well as contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Financial and Accounting staff.

Respectfully submitted,



Herbert C. Massa
Interim Superintendent of Schools

WEST LONG BRANCH BOARD OF EDUCATION
Organizational Chart
June 30, 2012



WEST LONG BRANCH BOARD OF EDUCATION
Roster of Officials
June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Teresa Vaccaro, President	2013
Dr. Paul J. Christopher, Vice President	2014
Kerry Kennedy	2014
Patricia Bambach-McLaughlin	2013
Susan Trocchia	2013
Erin Hegglin	2012
Dr. Edwin T. Hunter	2012
Mary Orendorff -Gassman	2012
Brian Kramer	2012

Other Officials

Herbert C. Massa, Interim Superintendent/School Business Administrator/Board Secretary

James Erhardt, Principal, Betty McElmon Elementary School

Charles Welsh, Interim Principal, Frank Antonides School

George Stone, Treasurer

Viola Lordi, Esq., Solicitor

WEST LONG BRANCH BOARD OF EDUCATION
Consultants, Independent Auditors and Advisors
June 30, 2012

Board Attorney

Wilentz, Goldman, and Spitzer
Viola Lordi, Esq.
Suite 900
PO Box 10
Woodbridge, NJ 07095

Board Auditor

Paduano, DiTommaso & Golda, LLC
PO Box 206
220 Monmouth Road
Oakhurst, NJ 07755

Fiscal Agent

Chase Bank
55 Water Street
New York, NY 10041

Official Depository

TD Bank
359 Monmouth Road
West Long Branch, NJ 07764

FINANCIAL SECTION

PADUANO, DiTOMMASO & GOLDA, LLC

Certified Public Accountants and Consultants

Independent Auditor's Report

Honorable President and
Members of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Long Branch Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the West Long Branch Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2012 on our consideration of the West Long Branch Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Schedules as found in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Long Branch Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations ; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Paduano, DiTommaso & Golda, LLC
October 19, 2012



Certified Public Accountant
Licensed Public School Accountant #CS00164

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The management's discussion and analysis of the West Long Branch School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic annual financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between current fiscal year (2011-2012) and the prior fiscal year (2010-2011) is presented in the Management's Discussion and Analysis.

Financial Highlights

Key financial highlights for 2012 are as follows:

- ◆ In total, net assets increased \$649,564 primarily due to reduction of debt and tuition revenue.
- ◆ General revenues were \$10,024,373 which represented 90% of revenues for the year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,284,864 or 10 percent of total revenues of \$11,309,237.
- ◆ Total assets of governmental activities increased by \$137,941 as cash and cash equivalents decreased by \$104,596 and net capital assets increased by \$242,537. The increase in net capital assets primarily represents acquisition of assets.
- ◆ The School District had \$9,374,809 in expenses, which were not offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and State of New Jersey and Federal Aid) of \$10,024,373 were adequate to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,106,816 in revenues and \$10,071,379 in expenditures. The General Fund's balance increased \$289,519 over 2011. This increase was primarily attributed to tighter controls on spending and tuition revenue.
- ◆ Fund Balance for the General Fund on a budgetary basis as of fiscal year end was \$2,761,660. The undesignated portion of surplus was \$1,204,166. Based on our calculation of excess surplus, the maximum of undesignated fund balance (2%) is \$275,751. The excess \$928,415 must be utilized for tax relief in the succeeding year's budget.
- ◆ The revenues for operating grants and contributions were recorded as an offset to expenses in this current year rather than as general revenue on Schedule A-2.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the West Long Branch School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the West Long Branch School District, the General Fund is by far the most significant fund.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Reporting the School District as a Whole

The Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports two types of activities.

- ◆ Governmental activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-type activities - This service is provided on a charge-for-goods-or-services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 22. Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental funds information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds include enterprise funds and fiduciary funds. The enterprise fund uses the same basis of accounting as business-type activities. Our School District uses the enterprise fund to report the Board's cafeteria operations. Fiduciary funds are used to account for assets held by the School District on behalf of others and include the Student Activities Fund, Payroll and Agency Funds, the Unemployment Trust Fund and Private Purpose Scholarship Fund.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Long Term Debt

A separate section is used to account for all Long Term Debt including detail of serial bonds payable and Obligations under Capital Leases.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 30 to 46 of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

	Table 1 Net Assets			
	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011
Assets				
Current and other assets	\$ 2,726,291	\$ 2,830,887	\$ 39,696	\$ 103,933
Capital assets	<u>9,653,543</u>	<u>9,411,006</u>	<u>21,728</u>	<u>25,917</u>
Total Assets	<u><u>\$ 12,379,834</u></u>	<u><u>\$ 12,241,893</u></u>	<u><u>\$ 61,424</u></u>	<u><u>\$ 129,850</u></u>
Liabilities				
Long-term liabilities	\$ 2,161,915	\$ 2,963,226	\$ -	\$ -
Other liabilities	<u>458,118</u>	<u>168,430</u>	<u>9,304</u>	<u>69,417</u>
Total Liabilities	<u><u>\$ 2,620,033</u></u>	<u><u>\$ 3,131,656</u></u>	<u><u>\$ 9,304</u></u>	<u><u>\$ 69,417</u></u>
Net Assets				
Invested in capital assets, net of debt	\$ 7,116,977	\$ 6,548,005	\$ 21,728	\$ 25,917
Restricted	2,485,916	2,422,916	-	-
Unrestricted	<u>156,908</u>	<u>139,316</u>	<u>30,392</u>	<u>34,516</u>
Total Net Assets	<u><u>\$ 9,759,801</u></u>	<u><u>\$ 9,110,237</u></u>	<u><u>\$ 52,120</u></u>	<u><u>\$ 60,433</u></u>

The District's combined net assets of \$9,811,921 on June 30, 2012 results in an increase of 7 percent from the prior year.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

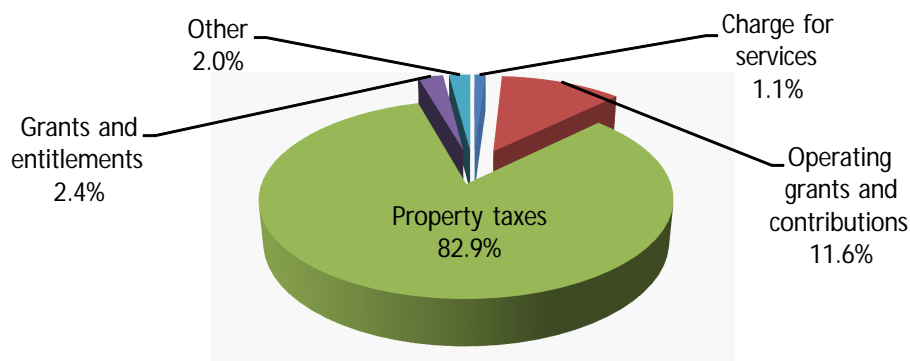
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 2 shows the changes in net assets for fiscal year 2012 and 2011.

Table 2
Changes In Net Assets

	Governmental Activities 2012	Governmental Activities 2011	Business-Type Activities 2012	Business-Type Activities 2011
Revenues				
Program revenues:				
Charge for services	\$ -	\$ -	\$ 122,346	\$ 127,603
Operating grants and contributions	1,284,864	1,142,380	41,766	37,493
General revenues:				
Property taxes	9,515,416	9,695,062	-	-
Grants and entitlements	276,009	136,751	-	-
Other	232,948	45,993	-	(31,172)
Total revenues	<u><u>\$ 11,309,237</u></u>	<u><u>\$ 11,020,186</u></u>	<u><u>\$ 164,112</u></u>	<u><u>\$ 133,924</u></u>
Program Expenses				
Instruction	\$ 6,102,066	\$ 5,858,050	\$ -	\$ -
Support services:				
Pupils and instructional staff	1,617,549	1,479,974	-	-
General and school administrations	1,088,930	1,194,930	-	-
Operations and maintenance of facilities	1,107,375	966,294	-	-
Pupil transportation	638,553	526,451	-	-
Interest on debt	100,212	111,913	-	-
Food service	-	-	172,425	123,577
Other	4,988	18,638	-	-
Total program expenses	<u><u>10,659,673</u></u>	<u><u>10,156,250</u></u>	<u><u>172,425</u></u>	<u><u>123,577</u></u>
Increase in Net Assets	<u><u>\$ 649,564</u></u>	<u><u>\$ 863,936</u></u>	<u><u>\$ (8,313)</u></u>	<u><u>\$ 10,347</u></u>

SOURCES OF REVENUES FOR FISCAL YEAR 2012



WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

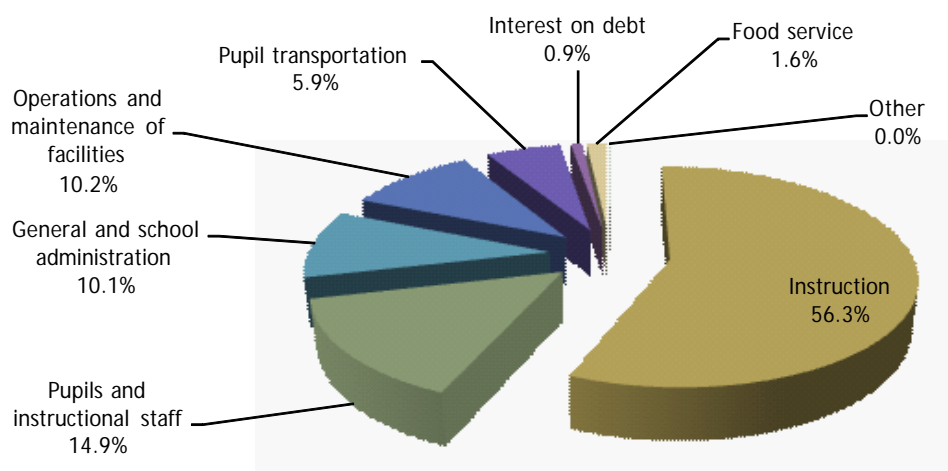
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 85 percent of revenues for governmental activities for fiscal year 2012 and 87 percent for fiscal year 2011. Property tax revenues decreased by \$179,646, which is a 2 percent decrease over the prior year. The District's total revenue for governmental activities was \$11,309,327 for the year ended June 30, 2012. Federal, state, and local grants accounted for another 11.5 percent of revenues.

Total expenses for the fiscal year were \$10,832,098.

EXPENSES FOR THE FISCAL YEAR 2012



Program expenses include instruction that comprises 56 percent of total expenses. Support services comprise 44 percent of total expenses.

Business-Type Activities are included above. Revenues for the Food Service Fund totaled \$164,112 which was comprised of charges for services in the amount of \$122,346 and federal and state reimbursements in the amount of \$41,766. Total operation expenses totaled \$172,425.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services for the year ended June 30, 2012. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 3
Cost of Services

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 6,102,066	\$ 5,222,497	\$ 5,858,050	\$ 5,102,647
Support services				
Pupils and instructional staff	1,617,549	1,444,920	1,479,974	1,338,117
General administration, school administration and business	1,088,930	983,971	1,194,930	1,051,757
Operation and maintenance of facilities	1,107,375	1,027,652	966,294	899,773
Pupil transportation	638,553	590,569	526,451	491,025
Interest and fiscal charges	100,212	100,212	111,913	111,913
Other	<u>4,988</u>	<u>4,988</u>	<u>18,638</u>	<u>18,638</u>
 Total expenses	 <u>\$ 10,659,673</u>	 <u>\$ 9,374,809</u>	 <u>\$ 10,156,250</u>	 <u>\$ 9,013,870</u>

- ◆ Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- ◆ Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- ◆ General administration, school administration and business include expenses associated with administrative and financial supervision of the district.
- ◆ Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.
- ◆ Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- ◆ Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.
- ◆ Other includes special schools.

The dependence upon tax revenues is apparent. Over 86 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 88 percent. The community, as a whole, is the primary support for the West Long Branch School District.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The School District's Funds

Information about the School District's governmental funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,309,237 and expenditures of \$11,372,359. The net positive change in fund balance for the year was due to general fund operations, an increase of \$289,519. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

As the graph and table below illustrates, the largest portion of General fund expenditures is for salaries. The District is a service entity and as such is labor intensive.

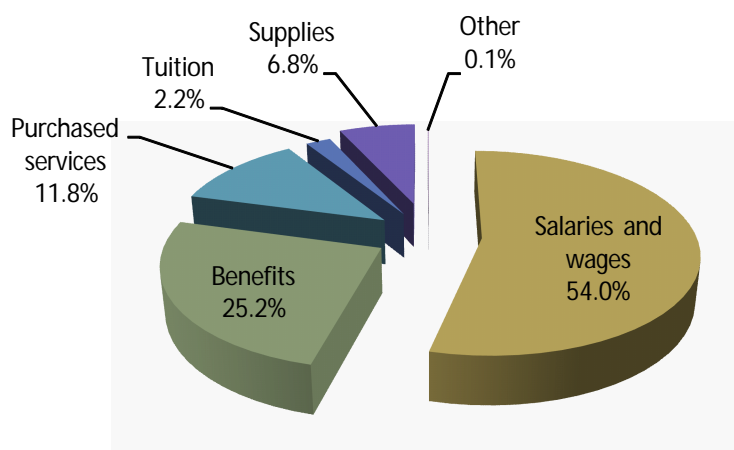


Table 4
Expenditures by Object for the Fiscal Year Ended June 30,

	2012	2011	% Change
Salaries and wages	\$ 5,148,808	\$ 5,258,765	-2.09%
Benefits	2,409,332	2,247,651	7.19%
Purchased services	1,121,774	829,909	35.17%
Tuition	210,635	180,414	16.75%
Supplies	646,397	562,010	15.02%
Capital outlay	529,445	-	N/A
Special Revenue fund	629,504	565,717	11.28%
Capital Projects fund	166,264	90,708	83.30%
Debt Service fund	505,212	501,913	0.66%
Other	4,988	18,638	-73.24%
Total	<u>\$ 11,372,359</u>	<u>\$ 10,255,725</u>	<u>10.89%</u>

Expenditures have increased \$1,116,634 or 10 percent over the prior year mostly due to necessary improvements in the capital outlay fund.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2011-2012 school year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Revisions in the budget were made to recognize revenues and expenditures that were not anticipated and to prevent over expenditures in specific expense accounts. Significant revisions are noted below.

- ◆ Administrative salaries were reduced due to the retirements and resignations without comparable replacements. The school principal was replaced by an Interim Principal. The retirement of the Assistant School Business Administrator/ Board Secretary; the resignation of the Superintendent of Schools and of the School Business Administrator were replaced by Interim Personnel.
- ◆ Increase in federal aid funded special education tuition.
- ◆ Cost of health benefits was decreased because of contributions from employees.
- ◆ Improvements were initiated for lighting in the BME School and roofing in the FAS School.

Capital Assets

At the end of the fiscal year 2012, the School District had \$9,675,271 invested in buildings, furniture and equipment, and vehicles. Table 5 shows fiscal 2012 balances compared to 2011.

Table 5
Capital Assets (Net of Depreciation) at June 30,

	2012	2011
Governmental Activities		
Land	\$ 82,140	\$ 82,140
Buildings and improvements	9,037,846	9,006,637
Machinery and equipment	533,557	231,521
Construction in process	-	90,708
	<u>9,653,543</u>	<u>9,411,006</u>
Business-Type Activities		
Food service equipment	<u>21,728</u>	<u>25,917</u>
Total	<u>\$ 9,675,271</u>	<u>\$ 9,436,923</u>

The increase of \$238,348 in capital assets is due primarily to the improvement of existing capital assets. For more detailed information, please refer to the Notes to Financial Statements.

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Debt Administration

At June 30, 2012, the School District had \$2,611,643 as outstanding debt. Of this amount, \$75,077 is for compensated absences and the balance of \$2,536,566 is for bonds for school additions and renovations.

At June 30, 2012, the School District's overall legal debt margin was \$37,125,833. For more detailed information, please refer to the Notes to Financial Statements.

For the Future

The West Long Branch School District is in good financial condition. The Borough of West Long Branch is primarily a residential community, thus the burden is on the homeowners to fund the taxes needed to operate the schools. State funding has remained frozen and future finances will be with challenges. Revenue for tuition from Interlaken students who attend West Long Branch Schools will significantly increase future revenues for school district.

The School District looks forward to effectively continuing to educate its students. The School District is committed to continue its sound fiscal management goals and is dedicated to maintain proper planning, budgeting and financial controls to achieve these goals. School budgets which are capped at 2% no longer need to be voted upon to be approved. The district chose to realign the election of the Board with the election calendar in November.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary of the West Long Branch School District Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,384,248	\$ 26,719	\$ 2,410,967
Receivables, net	170,017	5,655	175,672
Inventory	-	7,322	7,322
Restricted assets:			
Cash and cash equivalents	1	-	1
Reserve accounts	172,025	-	172,025
Capital assets, net	9,653,543	21,728	9,675,271
Total assets	<u>12,379,834</u>	<u>61,424</u>	<u>12,441,258</u>
LIABILITIES			
Accounts payable	8,281	8,135	16,416
Unearned revenue	109	1,169	1,278
Noncurrent liabilities:			
Due within one year	449,728	-	449,728
Due beyond one year	2,161,915	-	2,161,915
Total liabilities	<u>2,620,033</u>	<u>9,304</u>	<u>2,629,337</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,116,977	21,728	7,138,705
Restricted for:			
Debt service	1	-	1
Other purposes	2,485,915	-	2,485,915
Unrestricted	156,908	30,392	187,300
Total net assets	<u>\$ 9,759,801</u>	<u>\$ 52,120</u>	<u>\$ 9,811,921</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Activities
June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 4,611,668	\$ -	\$ 650,028	\$ (3,961,640)	\$ -	\$ (3,961,640)
Special education	888,005	-	138,683	(749,322)	-	(749,322)
Other instruction	602,393	-	90,858	(511,535)	-	(511,535)
Support services:						
Instruction	391,241	-	-	(391,241)	-	(391,241)
Student and instruction related services	1,226,308	-	172,629	(1,053,679)	-	(1,053,679)
School administrative services	364,867	-	59,107	(305,760)	-	(305,760)
General and business administrative services	354,448	-	9,720	(344,728)	-	(344,728)
Central administration	369,615	-	36,132	(333,483)	-	(333,483)
Plant operations and maintenance	1,107,375	-	79,723	(1,027,652)	-	(1,027,652)
Pupil transportation	638,553	-	47,984	(590,569)	-	(590,569)
Special schools	4,988	-	-	(4,988)	-	(4,988)
Interest on long-term debt	100,212	-	-	(100,212)	-	(100,212)
Total governmental activities	<u>10,659,673</u>	<u>-</u>	<u>1,284,864</u>	<u>(9,374,809)</u>	<u>-</u>	<u>(9,374,809)</u>
Business-type activities:						
Food Service	<u>172,425</u>	<u>122,346</u>	<u>41,766</u>	<u>-</u>	<u>(8,313)</u>	<u>(8,313)</u>
Total business-type activities	<u>172,425</u>	<u>122,346</u>	<u>41,766</u>	<u>-</u>	<u>(8,313)</u>	<u>(8,313)</u>
Total primary government	<u>\$ 10,832,098</u>	<u>\$ 122,346</u>	<u>\$ 1,326,630</u>	<u>\$ (9,374,809)</u>	<u>\$ (8,313)</u>	<u>\$ (9,383,122)</u>
General revenues:						
Property taxes levied for:						
General purposes				\$ 9,010,204	\$ -	\$ 9,010,204
Debt service				505,212	-	505,212
Federal and state aid not restricted				276,009	-	276,009
Investment earnings				1,892	-	1,892
Miscellaneous income				<u>231,056</u>	<u>-</u>	<u>231,056</u>
Total general revenues, special items, extraordinary items and transfers				<u>10,024,373</u>	<u>-</u>	<u>10,024,373</u>
Change in net assets				649,564	(8,313)	641,251
Net assets—beginning				<u>9,110,237</u>	<u>60,433</u>	<u>9,170,670</u>
Net assets—ending				<u>\$ 9,759,801</u>	<u>\$ 52,120</u>	<u>\$ 9,811,921</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

WEST LONG BRANCH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
ASSETS					
Cash and cash equivalents	\$ 2,248,371	\$ -	\$ 135,877	\$ 1	\$ 2,384,249
Due from other funds	200,575	-	-	-	200,575
Receivables from other governments	104,338	65,679	-	-	170,017
Restricted cash and cash equivalents	172,025	-	-	-	172,025
Total assets	\$ 2,725,309	\$ 65,679	\$ 135,877	\$ 1	\$ 2,926,866
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,409	\$ -	\$ -	\$ -	\$ 7,409
Interfund payable	-	64,698	135,877	-	200,575
Payable to state government	-	872	-	-	872
Unearned revenue	-	109	-	-	109
Total liabilities	7,409	65,679	135,877	-	208,965
Fund balances:					
Restricted for:					
Excess surplus - current year	928,415	-	-	-	928,415
Excess surplus - prior year - designated for subsequent year's expenditures	903,853	-	-	-	903,853
Capital reserve	1,098	-	-	-	1,098
Emergency reserve	100,247	-	-	-	100,247
Maintenance reserve	70,681	-	-	-	70,681
Assigned to:					
Designated by the BOE for subsequent year's expenditures	481,621	-	-	1	481,622
Unassigned:					
General fund	231,985	-	-	-	231,985
Total fund balances	2,717,900	-	-	1	2,717,901
Total liabilities and fund balances	\$ 2,725,309	\$ 65,679	\$ 135,877	\$ 1	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,996,779 and the accumulated depreciation is \$6,343,236.

9,653,543

Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(2,611,643)

Net assets of governmental activities

\$ 9,759,801

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 9,010,204	\$ -	\$ -	\$ 505,212	\$ 9,515,416
Interest earned on investments	1,892	-	-	-	1,892
Miscellaneous	217,810	13,246	-	-	231,056
Total - local sources	9,229,906	13,246	-	505,212	9,748,364
State sources	876,425	287,876	67,705	-	1,232,006
Federal sources	485	328,382	-	-	328,867
Total revenues	10,106,816	629,504	67,705	505,212	11,309,237
EXPENDITURES					
Current:					
Regular instruction	2,756,520	443,805	-	-	3,200,325
Special education instruction	586,896	-	-	-	586,896
Other instruction	405,122	-	-	-	405,122
Support services and undistributed costs:					
Instruction	210,634	180,607	-	-	391,241
Student and instruction related services	851,496	-	-	-	851,496
General administrative services	236,534	-	-	-	236,534
School administrative services	333,344	-	-	-	333,344
Central services and administrative information technology	331,166	-	-	-	331,166
Plant operations and maintenance	934,280	-	-	-	934,280
Pupil transportation	481,623	-	-	-	481,623
Unallocated benefits	2,409,331	-	-	-	2,409,331
Special schools	4,988	-	-	-	4,988
Debt service:					
Principal	-	-	-	405,000	405,000
Interest and other charges	-	-	-	100,212	100,212
Capital outlay	529,445	5,092	166,264	-	700,801
Total expenditures	10,071,379	629,504	166,264	505,212	11,372,359
Excess (Deficiency) of revenues over expenditures	35,437	-	(98,559)	-	(63,122)
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	118,566	-	-	-	118,566
Transfers in	135,516	-	-	-	135,516
Transfers out	-	-	(135,516)	-	(135,516)
Total other financing sources (uses)	254,082	-	(135,516)	-	118,566
Net change in fund balances	289,519	-	(234,075)	-	55,444
Fund balance—July 1	2,428,381	-	234,075	1	2,662,457
Fund balance—June 30	\$ 2,717,900	\$ -	\$ -	\$ 1	\$ 2,717,901

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) \$ 55,444

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (458,264)	
Capital outlay	<u>700,801</u>	242,537

Repayment of long-term debt, i.e. bond principal, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

445,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets

(118,566)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)

25,149

Change in net assets of governmental activities

\$ 649,564

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<u>Food Service Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 26,719
Intergovernmental receivables	5,655
Inventories	<u>7,322</u>
Total current assets	<u>39,696</u>
Non-current assets:	
Furniture, machinery and equipment	63,414
Less: accumulated depreciation	<u>(41,686)</u>
Total non-current assets	<u>21,728</u>
Total assets	<u><u>\$ 61,424</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 8,135
Deferred revenue	<u>1,169</u>
Total current liabilities	<u>9,304</u>
NET ASSETS	
Restricted	
Investment in equipment	21,728
Unrestricted	<u>30,392</u>
Total net assets	<u>52,120</u>
Total liabilities and net assets	<u><u>\$ 61,424</u></u>

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
Operating Revenues	
Charges for services:	
Daily sales - reimbursable program	\$ 84,055
Daily sales - non-reimbursable program	35,400
Special functions	<u>2,891</u>
Total operating revenues	<u>122,346</u>
Operating Expenses	
Cost of sales	47,833
Salaries	46,962
Employee benefits	24,021
Management fees	19,720
Insurance	8,316
Repairs & Maintenance	7,943
General supplies	13,441
Depreciation	<u>4,189</u>
Total operating expenses	<u>172,425</u>
Operating income	<u>(50,079)</u>
Non-operating Revenues	
State sources:	
State school lunch program	1,770
Federal sources:	
National school lunch program	29,880
Food distribution program	<u>10,116</u>
Total non-operating revenues	<u>41,766</u>
Change in Net Assets	(8,313)
Total Net Assets - Beginning	<u>60,433</u>
Total Net Assets - Ending	<u><u>\$ 52,120</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 122,646
Payments to vendor's employees	(46,962)
Payments for vendor's employee benefits	(24,021)
Payments to vendors	<u>(93,681)</u>
Net cash used by operating activities	<u>(42,018)</u>
Cash Flows from Non-capital Financing Activities	
State sources	1,685
Federal sources	26,483
Transfer to warrant account-excess cash	<u>(31,195)</u>
Net cash used by non-capital financing activities	<u>(3,027)</u>
Cash Flows from Investing Activities	
Purchase of Equipment	<u>(25,111)</u>
Net cash used by investing activities	<u>(25,111)</u>
Net decrease in cash and cash equivalents	(70,156)
Balance - Beginning of Year	<u>96,875</u>
Balance - End of Year	<u><u>\$ 26,719</u></u>
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (50,079)
Adjustments to reconcile operating income (loss) to net cash	
provided by (used for) operating activities	
Depreciation	4,189
Deferred revenue	10,110
Decrease in student meal receivables	300
(Increase) in inventories	(4,696)
(Decrease) in accounts payable	<u>(1,842)</u>
Total adjustments	<u>8,061</u>
Net Cash provided by (used for) Operating Activities	<u><u>\$ (42,018)</u></u>

Noncash noncapital financing activities:

The Board of Education received \$10,110 of food commodities from the US Department of Agriculture for the year ended June 30, 2012.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 26,640	\$ 10,218	\$ 36,925
Total Assets	<u>26,640</u>	<u>10,218</u>	<u>\$ 36,925</u>
LIABILITIES			
Payroll deduction and withholding	4,788	-	\$ 12,911
Due to student groups	<u>-</u>	<u>-</u>	<u>24,014</u>
Total Liabilities	<u>4,788</u>	<u>-</u>	<u>\$ 36,925</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>\$ 21,852</u>		
Reserved for scholarships		<u>\$ 10,218</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$ 20,312	\$ -
Scholarship donations	<u>-</u>	<u>500</u>
Total Contributions	<u>20,312</u>	<u>500</u>
Total Additions	<u>20,312</u>	<u>500</u>
DEDUCTIONS		
Unemployment claims	17,530	-
Scholarships awarded	<u>-</u>	<u>400</u>
Total Deductions	<u>17,530</u>	<u>400</u>
Change in Net Assets	2,782	100
Net Assets - Beginning of Year	<u>19,070</u>	<u>10,118</u>
Net Assets - End of Year	<u><u>\$ 21,852</u></u>	<u><u>\$ 10,218</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**NOTES TO THE
BASIC FINANCIAL STATEMENTS**

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the West Long Branch School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The District's Proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include the primary school and elementary school located in West Long Branch, New Jersey.

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and with it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the West Long Branch School District in West Long Branch, New Jersey. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. District-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considered revenue to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and capital leases, are recorded only when payment is due.

Property taxes, interest and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District maintains one special revenue fund, primarily consisting of government grants, for which the proceeds of specific revenue sources (other than fiduciary funds or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund).

Debt Service Fund: The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenues and expenses pertaining to cafeteria operations. The fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Additionally, the District reports the following fiduciary fund types:

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Trust Funds: The unemployment compensation and private-purpose scholarship funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise fund includes the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports unearned revenue on its balance sheet. Unearned revenue arises when a potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payments schedule and the unpaid amount is considered to be an "accounts receivable."

The following statutory dates are applicable to property taxes collected by the respective municipalities:

Levy date	January 1
Lien Date	January 1
Due Dates:	August 1, November 1, February 1, and May 1

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets, except for the Special Revenue Fund, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments/transfers must be approved by School Board resolutions. Budgetary transfers were made during the current year and were within allowable limits permitted by the State. The District did not deem them to be significant or unusual in nature.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary-basis of accounting and GAAP with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of petty cash, amounts on deposit, money market accounts and short-term investments with original maturities of three months or less from date of acquisition.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investment and for External Investment Pools."

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase.

Inventories in the enterprise fund are expensed using the consumption method. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. At June 30, 2012, the unused Food Donation Program commodities of \$1,169 are reported as deferred revenue in the enterprise fund.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets, which include land, property, plant, machinery, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the District wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the District are depreciated using the straight-line method under the half-year convention. The following estimated useful lives are used to compute depreciation:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School building	50
Building improvements	20
Electrical/plumbing	30
Vehicles	8
Office and computer equipment	5 – 10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Compensated Absences

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no material liability existed for compensated absences in the Food Service Fund.

Continued

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

L. Unamortized Bond Premiums, Discounts and Bond Issuance Costs

Premiums, discounts and bond issuance costs on the revenue bonds are amortized using the interest method, over the maturity of the related issue.

M. Fund Balance Reporting

The District has adopted GASB 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any prepaid item or nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints for the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance Reporting (continued)

The District has classified its fund balances with the following hierarchy:

Spendable: The District has classified the spendable fund balances as Restricted, Committed, Assigned and Unassigned and considered each to have been spent when expenditures are incurred.

- Restricted for Excess Surplus and Capital Reserve:

New Jersey School Districts are required to reserve fund balance of the general fund if they did not appropriate a required minimum amount as budgeted fund balance. The capital reserve account is used to accumulate funds for use as capital outlay expenditures in subsequent fiscal years. The funds have been included in restricted category of fund balance. The restricted fund balances totaled \$2,004,294, and represented \$1,832,268 in excess surplus, \$100,247 in emergency reserve, \$70,681 in maintenance reserve, and \$1,098 in capital reserve.

- Assigned for School Operations and Capital Projects:

The School Board has set aside certain spendable fund balance for school operations and capital projects. At year end, the assigned fund balance is \$481,622, of which \$481,621 is for school operations and \$1 is for debt service. The assigned fund balance for school operations includes \$469,599 for outstanding encumbrances and \$12,022, for appropriation of existing unassigned fund balance at year-end to be utilized as tax relief in next year's budget.

- Unassigned:

The unassigned fund balance for the General Fund is \$231,985.

N. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Education Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve fund balance of the General Fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The District has excess fund balance generated during the 2012 fiscal year in the amount of \$928,415, which will be designated for tax relief in 2013-2014.

O. Net Assets

Net assets represent the difference between assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of capital assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Continued

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security contributions and post-retirement medical and pension benefits for certified members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

R. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by function. Employee benefits, including the employer's share of social security, workers' compensation and medical and dental benefits, were allocated based on salaries of the program.

NOTE 2. RECONCILIATION OF GOVERNMENT -WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government -wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net asset – governmental activities as reported in the District-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$2,611,643 difference are as follows:

Bonds payable	\$ 2,458,000
Capital lease payable	78,566
Compensated absences	<u>75,077</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ 2,611,643</u></u>

NOTE 3. DEPOSITS AND INVESTMENTS

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statue 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks that deposits of which are federally insured. GUDPA requires that all public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF), New Jersey Arbitrage Rebate Management Fund (NJARM) and M.B.I.A. Class.

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirements, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2012, the carrying amount of the District's deposits was \$2,556,274 and the bank balance was \$3,092,885.

Based on levels of risk, \$250,000 of the District's cash deposits on June 30, 2012 were secured by federal depository insurance. The remaining balance of \$2,842,885 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that, in the event of failure of the counterparty, the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

At June 30, 2012, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for the management of custodial credit risk, other than depositing all its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

There were no investments at June 30, 2012.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, consisted accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>	<u>Governmental Wide Financial Statements</u>
State Aid	\$ 14,113	\$ 14,425
Federal Aid	92,066	97,409
Other	<u>291,672</u>	<u>91,097</u>
Gross Receivables	397,851	202,931
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, net	<u><u>\$ 397,851</u></u>	<u><u>\$ 202,931</u></u>

NOTE 5. RESTRICTED ASSETS

The proceeds of the District's bonds are classified as restricted assets (cash, cash equivalents and accounts receivables) as they are restricted to payments relating to the referendum projects in the capital projects fund, funds set aside in a capital reserve fund, and accounts receivable in the special revenue fund.

NOTE 6. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Adjustments and additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in process	\$ 90,708	\$ -	\$ 90,708	\$ -
Land	<u>82,140</u>	<u>-</u>	<u>-</u>	<u>82,140</u>
Total capital assets not being depreciated	<u>172,848</u>	<u>-</u>	<u>90,708</u>	<u>82,140</u>
Capital assets being depreciated:				
Site improvements	130,534	-	-	130,534
Building and building improvements	13,046,932	373,658	-	13,420,590
Machinery and equipment	<u>1,945,664</u>	<u>417,851</u>	<u>-</u>	<u>2,363,515</u>
Totals at historical cost	<u>15,123,130</u>	<u>791,509</u>	<u>-</u>	<u>15,914,639</u>
Less accumulated depreciation for:				
Building and improvements	4,170,829	342,449	-	4,513,278
Equipment	<u>1,714,143</u>	<u>115,815</u>	<u>-</u>	<u>1,829,958</u>
	<u>5,884,972</u>	<u>458,264</u>	<u>-</u>	<u>6,343,236</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>9,238,158</u>	<u>333,245</u>	<u>-</u>	<u>9,571,403</u>
Government activity capital assets, net	<u><u>\$ 9,411,006</u></u>	<u><u>\$ 333,245</u></u>	<u><u>\$ 90,708</u></u>	<u><u>\$ 9,653,543</u></u>

Continued

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6. CAPITAL ASSETS (continued)

Depreciation expense was charged to the following governmental programs:

Instruction	\$ 277,601
General and Business Administrative Services	33,127
Plant Operations and Maintenance	25,162
Pupil Transportation	67,890
Support Services - students and staff	54,484
Total	<u>\$ 458,264</u>

The following is a summary of the business-type capital assets for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Adjustments and additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets being depreciated:				
Equipment	\$ 63,414	\$ -	\$ -	\$ 63,414
Less accumulated depreciation	<u>37,497</u>	<u>4,189</u>	<u>-</u>	<u>41,686</u>
Enterprise fund capital assets, net	<u>\$ 25,917</u>	<u>\$ (4,189)</u>	<u>\$ -</u>	<u>\$ 21,728</u>

NOTE 7. LONG-TERM LIABILITIES

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Principal and interest due on all serial bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	410,000	87,050	497,050
2014	410,000	73,725	483,725
2015	410,000	59,888	469,888
2016	410,000	45,538	455,538
2017	410,000	30,675	440,675
2018	<u>408,000</u>	<u>15,300</u>	<u>423,300</u>
	<u>\$ 2,458,000</u>	<u>\$ 312,176</u>	<u>\$ 2,770,176</u>

Bonds Authorized But Not Issued

As of June 30, 2012, the District had no authorized but not issued bonds.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 7. LONG-TERM LIABILITIES (continued)

Capital Lease Payable

The district is leasing equipment totaling \$118,566 under capital leases. The capital lease is for a term of no more than five years. The following is a schedule of minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2012.

Fiscal Year Ended June 30,	Amount
2013	\$ 40,000
2014	38,975
Total	78,975
Less: amount representing interest	(409)
Present value of net minimum lease payments	<u>78,566</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	within One Year
Compensated absences payable	\$ 100,226	\$ 11,760	\$ 36,909	\$ 75,077	\$ -
Capital lease payable	-	118,566	40,000	78,566	39,728
Serial bonds payable with interest rates of 2% to 3.75%	<u>2,863,000</u>	<u>-</u>	<u>405,000</u>	<u>2,458,000</u>	<u>410,000</u>
	<u>\$ 2,963,226</u>	<u>\$ 130,326</u>	<u>\$ 481,909</u>	<u>\$ 2,611,643</u>	<u>\$ 449,728</u>

Compensated absences are liquidated by expenditures charged to the general fund. Bonds payable are liquidated by expenditure charged to the debt service fund.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 8. PENSION PLANS

Plan Descriptions

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by the State statute: the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66, to provide coverage including post-retirement health care to substantially all full-time public employees of the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available for those under age 55 participating in TPAF with 25 or more years of credited services. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district, or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of services and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above formula, but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of five percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 8. PENSION PLANS (Continued)

Funding Policy (continued)

The Board's actuarially determined contributions to PERS for the years ended June 30, 2012, 2011 and 2010 were \$97,139, \$99,269, and \$80,329, respectively, equal to the required contributions for each year. During the fiscal year ended June 30, 2012, the State of New Jersey made a \$393,243 contribution to the TPAF for post-retirement benefits and normal costs of pension on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$275,363 during the fiscal year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 284 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees, statewide, receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, Financial Reporting by Employers for Postemployment Benefits Other Than Pension. This statement established standards of accounting and financial reporting for other postemployment benefits (OPEB) expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures and required supplementary information (RSI) in the financial reports of state and local government employers. Since the State of New Jersey pays OPEB benefits on behalf of the District and the State is recording the OPEB liability on its financial statements, this GASB does not apply to the District.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements that have exceeded insurance coverage for the last three years.

Continued

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 10. RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011 - 2012	\$ -	\$ 20,311	\$ 17,530	\$ 21,851
2010 - 2011	3	18,004	2,741	19,070
2009 - 2010	35	19,435	34,934	3,804

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administrated by various entities, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. This District has no liability for losses under the plan.

NOTE 12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2012, the interfund receivables and payables that resulted from regularly recurring operational transfers are detailed below:

Due to the general fund from the Capital projects fund for unexpended funds	\$ 135,877
Due to the General Fund from the Special Revenue Fund to cover cash overdraft	<u>64,698</u>
	<u>\$ 200,575</u>

The interfund between the special revenue fund and the debt service fund represents loans between the funds.

There were no interfund transfers during the year.

New Jersey statute requires that interest earned on the investments in the Capital Projects Fund be credited to the general or debt service fund. In the prior year, the general fund transferred \$288,500 to the Capital Projects Fund for the Attic Insulation project at the Betty McElmon School in accordance with the approved budget. However, the attic insulation project was under budget and \$135,877 was unexpended.

NOTE 13. ECONOMIC DEPENDENCY

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to additional funding uncertainties at the State level, funding for school districts was reduced. The ultimate effect of possible reductions in funding on the District's future operations is not yet determinable.

Continued

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 14. CONTINGENT LIABILITIES

Litigation

The Board is involved in a few claims incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Grant Programs

The School District participates in federal and state grant assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 15. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the West Long Branch School District by inclusion of \$462,000 during 1995-1996 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$ 1,096
Interest earnings	-
Deposits	-
Withdrawals	
Board resolution (per approved budget)	-
Ending balance, June 30, 2012	<u>\$ 1,096</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$4,520,439.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)

Of the \$2,717,900 General Fund fund balance at June 30, 2012, \$469,599 is reserved for encumbrances, \$928,415 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$903,853 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012; \$12,022 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; \$1,098 has been reserved in the capital reserve account; \$100,247 has been reserved in the emergency reserve account; \$70,681 has been reserved in the maintenance reserve account; and \$231,985 is unreserved and undesignated.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2012

NOTE 16. FUND BALANCE APPROPRIATED (Continued)

Debt Service Fund

Of the Debt Service Fund fund balance at June 30, 2012, \$1 is unreserved and undesignated.

NOTE 17. MAINTENANCE RESERVE

A maintenance reserve account of \$70,500 was established in June 2009 to accumulate funds for the required maintenance of the facility in accordance with State regulations. The balance at June 30, 2012 was \$70,681.

NOTE 18. EMERGENCY RESERVE

During fiscal year ended 2009 in accordance with N.J.S.A. 18A:7F-41(c)1, the Board transferred \$100,000 to emergency reserve to accumulate funds to be utilized toward unanticipated general fund expenditures required for a thorough and efficient education. The Board resolution occurred at year end, during the required period between June 1st and June 30th. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs exceeding four percent. The balance at June 30, 2012 was \$100,247.

NOTE 19. RELATED ORGANIZATIONS

Not included in the School Board's financial statements are certain Parent-Teacher Associations (PTAs), Parent-Teacher-Student Associations (PTSAs) and athletic and band booster clubs. These agencies provide services to students and employees of the School Board, but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the School Board. The School Board does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

NOTE 20. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2012 through October 19, 2012 the date that the financial statements were issued, for possible disclosure and recognition in the financial statements.

On August 28, 2012, the Board approved a Resolution to enter into a Shared Services Agreement for a Superintendent with the Shore Regional School District pursuant to N.J.S.A. 40a:65-1 et seq. and N.J.S.A. 18A:17-24.1 and for a Part Time Business Administrator with the Shore Regional District pursuant to N.J.S.A. 18A:17-24.1.

REQUIRED SUPPLEMENTARY
INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 9,010,204	\$ -	\$ 9,010,204	\$ 9,010,204	\$ -
Interest earned on Capital Reserve Funds	92	-	92	56	(36)
Interest earned on investments	-	-	-	1,836	1,836
Tuition	-	-	-	202,725	202,725
Miscellaneous	-	-	-	15,085	15,085
Total - local sources	9,010,296	-	9,010,296	9,229,906	219,610
State sources:					
Categorical Special Education Aid	101,677	-	101,677	203,354	101,677
Extraordinary aid	-	-	-	18,308	18,308
Aid in lieu adjustment	-	-	-	7,443	7,443
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	393,243	393,243
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	275,363	275,363
Total - state sources	101,677	-	101,677	897,711	796,034
Federal sources:					
Education jobs fund	-	-	-	485	485
Total - federal sources	-	-	-	485	485
Total revenues	9,111,973	-	9,111,973	10,128,102	1,016,129
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	33,811	(33,811)	-	-	-
Kindergarten	181,560	339	181,899	181,899	-
Grades 1-5	1,451,797	(90,004)	1,361,793	1,361,762	31
Grades 6-8	1,085,804	(28,219)	1,057,585	1,050,931	6,654
Regular programs - home instruction:					
Salaries of teachers	9,000	(4,000)	5,000	2,437	2,563
Purchased professional educational services	1,500	-	1,500	-	1,500
Regular programs - undistributed instruction:					
Purchased technical services	15,298	-	15,298	9,119	6,179
Other purchased services (400 - 500 series)	21,370	1,727	23,097	23,096	1
General supplies	139,372	6,060	145,432	123,796	21,636
Textbooks	60,153	(41,347)	18,806	2,702	16,104
Other objects	326	454	780	777	3
Total regular programs	2,999,991	(188,801)	2,811,190	2,756,519	54,671

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special education - instruction:					
Visual impairment					
Purchased professional educational services	\$ -	\$ 1,700	\$ 1,700	\$ 1,700	\$ -
Total visual impairment	-	1,700	1,700	1,700	-
Auditory impairment:					
Salaries of teachers	51,694	-	51,694	51,220	474
General supplies	900	-	900	303	597
Total auditory impairment	52,594	-	52,594	51,523	1,071
Resource room:					
Salaries of teachers	356,064	15,000	371,064	368,175	2,889
Other salaries for instruction	35,447	2,000	37,447	33,036	4,411
General supplies	250	(180)	70	-	70
Textbooks	7,182	-	7,182	5,682	1,500
Other objects	500	-	500	125	375
Total resource room	399,443	16,820	416,263	407,018	9,245
Preschool disabilities - part time:					
Salaries of teachers	39,848	33,615	73,463	71,800	1,663
Other salaries for instruction	35,410	3,396	38,806	29,845	8,961
Purchased professional education services	25,000	-	25,000	24,146	854
General supplies	2,138	-	2,138	736	1,402
Textbooks	500	-	500	-	500
Other expense	1,080	-	1,080	128	952
Total preschool disabilities - part time	103,976	37,011	140,987	126,655	14,332
Total special education - instruction	556,013	55,531	611,544	586,896	24,648
Basic skills/remedial - instruction:					
Salaries of teachers	181,802	(13,000)	168,802	161,183	7,619
General supplies	1,964	-	1,964	173	1,791
Total basic skills/remedial - instruction	183,766	(13,000)	170,766	161,356	9,410
Bilingual education - instruction:					
Salaries of teachers	69,660	-	69,660	68,810	850
General supplies	400	-	400	-	400
Total bilingual education - instruction	70,060	-	70,060	68,810	1,250
School sponsored cocurricular activities - instruction:					
Salaries	46,469	(149)	46,320	45,804	516
Supplies and materials	2,000	676	2,676	2,675	1
Other objects	9,865	2,473	12,338	11,935	403
Total school sponsored cocurricular activities - instruction	58,334	3,000	61,334	60,414	920

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored athletics - instruction:					
Salaries	\$ 33,358	\$ -	\$ 33,358	\$ 25,070	\$ 8,288
Purchased services (300 - 500 series)	12,894	464	13,358	12,813	545
Supplies and materials	7,308	2,434	9,742	9,327	415
Other objects	960	167	1,127	1,127	-
Total school sponsored athletics - instruction	54,520	3,065	57,585	48,337	9,248
Academically talented - instruction:					
Salaries	62,965	100	63,065	62,135	930
Other objects	3,615	1,700	5,315	4,070	1,245
Total academically talented - instruction	66,580	1,800	68,380	66,205	2,175
Total - instruction	3,989,264	(138,405)	3,850,859	3,748,537	102,322
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state - regular	-	-	-	-	-
Tuition to other LEAs within state - special	192,698	(186,000)	6,698	4,148	2,550
Tuition to private schools for disabled within state	198,427	15,000	213,427	206,487	6,940
Total instruction	391,125	(171,000)	220,125	210,635	9,490
Attendance and social work services:					
Salaries	29,418	-	29,418	29,408	10
Total attendance and social work services	29,418	-	29,418	29,408	10
Health services:					
Salaries	65,731	-	65,731	65,042	689
Purchased professional and technical services	4,899	-	4,899	4,860	39
Supplies and materials	2,478	2,133	4,611	4,127	484
Dues and fees	-	180	180	180	-
Total health services	73,108	2,313	75,421	74,209	1,212
Speech, occupational therapy, physical therapy, related services:					
Salaries	72,357	(16,000)	56,357	48,915	7,442
Purchased professional/educational services	55,000	48,003	103,003	77,041	25,962
Supplies and materials	500	-	500	418	82
Total speech, occupational therapy, physical therapy, related services	127,857	32,003	159,860	126,374	33,486
Other support services - students - extra services:					
Salaries	64,176	(26,562)	37,614	35,346	2,268
Purchased professional/educational services	30,000	(9,447)	20,553	17,625	2,928
Total other support services - students - extra services	94,176	(36,009)	58,167	52,971	5,196

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - guidance:					
Salaries of other professional staff	\$ 74,582	\$ -	\$ 74,582	\$ 73,410	\$ 1,172
Salaries of secretarial and clerical assistants	4,230	11,942	16,172	14,950	1,222
Purchased professional/educational services	1,493	866	2,359	393	1,966
Other purchased professional and technical services	-	-	-	-	-
Supplies and materials	1,894	(520)	1,374	1,228	146
Total other support services - guidance	82,199	12,288	94,487	89,981	4,506
Other support services - child study team:					
Salaries of other professional staff	320,789	-	320,789	314,364	6,425
Salaries of secretarial and clerical assistants	33,428	15,178	48,606	44,965	3,641
Purchased professional/educational services	30,000	(8,000)	22,000	21,454	546
Miscellaneous purchased services (400-500)	750	-	750	355	395
Supplies and materials	8,262	-	8,262	2,594	5,668
Other expense	1,200	-	1,200	1,015	185
Total other support services - child study team	394,429	7,178	401,607	384,747	16,860
Improvement of instructional services:					
Salaries of other professional staff	25,000	-	25,000	16,186	8,814
Purchased professional educational services	40,000	(40,000)	-	-	-
Supplies and materials	200	-	200	-	200
Total improvement of instructional services	65,200	(40,000)	25,200	16,186	9,014
Educational media services/school library:					
Salaries	74,407	(11,755)	62,652	62,062	590
Supplies and materials	9,574	2,618	12,192	12,123	69
Total educational media services/school library	83,981	(9,137)	74,844	74,185	659
Instructional staff training services:					
Purchased professional/education services	1,000	325	1,325	1,325	-
Other purchased services (400 - 500 series)	10,000	(325)	9,675	2,111	7,564
Total instructional staff training services	11,000	-	11,000	3,436	7,564
Support services - general administration:					
Salaries	178,660	(97,902)	80,758	38,833	41,925
Legal services	68,199	8,650	76,849	71,264	5,585
Audit fees	15,600	1,500	17,100	17,100	-
Other purchased professional services	6,700	52,157	58,857	50,822	8,035
Communications/telephone	14,000	2,000	16,000	11,881	4,119
BOE other purchased professional services	1,250	(511)	739	519	220
Other purchased services (400 - 500 series)	7,700	5,458	13,158	12,507	651
General supplies	5,168	(3,589)	1,579	1,154	425
Judgments against school district	-	24,400	24,400	24,400	-
Miscellaneous expenditures	2,188	-	2,188	745	1,443
BOE Membership Dues and Fees	5,500	2,685	8,185	7,309	876
Total support services - general administration	304,965	(5,152)	299,813	236,534	63,279

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 192,050	\$ (77,374)	\$ 114,676	\$ 114,675	\$ 1
Salaries of secretarial and clerical assistants	81,112	43,034	124,146	121,473	2,673
Purchased professional services	-	88,650	88,650	88,650	-
Other purchased services (400 - 500 series)	500	-	500	294	206
Supplies and materials	13,221	-	13,221	7,010	6,211
Other objects	4,000	(2,060)	1,940	1,242	698
Total support services - school administration	290,883	52,250	343,133	333,344	9,789
Central services:					
Salaries	122,412	29,423	151,835	144,355	7,480
Purchased professional services	92,490	(23,152)	69,338	68,081	1,257
Purchased technical services	330	-	330	-	330
Other purchased services (400 - 500 series)	4,013	25	4,038	2,358	1,680
Supplies and materials	7,696	(25)	7,671	7,040	631
Other objects	5,885	-	5,885	1,242	4,643
Total central services	232,826	6,271	239,097	223,076	16,021
Administrative information technology:					
Purchased technical services	38,000	36,590	74,590	68,090	6,500
Other purchased services	1,500	40,000	41,500	40,000	1,500
Total administrative information technology	39,500	76,590	116,090	108,090	8,000
Required allowable maintenance for school facilities:					
Salaries	43,305	-	43,305	43,305	-
Cleaning, repair and maintenance services	108,753	53,490	162,243	141,002	21,241
General supplies	9,400	5,000	14,400	8,986	5,414
Other objects	1,500	-	1,500	1,034	466
Total required allowable maintenance for school facilities	162,958	58,490	221,448	194,327	27,121
Other operation and maintenance of plant services:					
Salaries	206,964	(21,212)	185,752	184,671	1,081
Salaries of non-instructional aids	79,049	(10,465)	68,584	68,525	59
Purchased professional and technical services	8,200	-	8,200	7,286	914
Cleaning, repair and maintenance services	97,178	36,749	133,927	124,847	9,080
Rental of land and buildings other than lease purchase agreements	500	(150)	350	-	350
Other purchased property services	70,500	(9,300)	61,200	60,004	1,196
Insurance	57,359	(10,614)	46,745	46,283	462
General supplies	24,046	-	24,046	23,965	81
Energy (natural gas)	103,822	(10,000)	93,822	64,184	29,638
Energy (electricity)	180,000	(8,000)	172,000	123,413	48,587
Other objects	500	-	500	328	172
Total other operation and maintenance of plant services	828,118	(32,992)	795,126	703,506	91,620
Care and upkeep of grounds:					
Salaries	30,622	-	30,622	22,013	8,609
Purchased professional and technical services	-	260	260	250	10
Cleaning, repair and maintenance services	5,000	6,255	11,255	11,058	197
General supplies	6,000	(1,520)	4,480	3,125	1,355
Total care and upkeep of grounds	41,622	4,995	46,617	36,446	10,171

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	\$ 124,736	\$ 11,582	\$ 136,318	\$ 132,004	\$ 4,314
Salaries for pupil transportation (between home and school) - special education	27,522	(2,212)	25,310	12,404	12,906
Salaries for pupil transportation (other than between home and school)	45,000	6,881	51,881	47,786	4,095
Other purchased professional and technical services	35,800	10,017	45,817	39,177	6,640
Cleaning, repair and maintenance service	39,472	(192)	39,280	26,879	12,401
Rental payments - school buses	38,028	(33,927)	4,101	3,400	701
Contracted services (special education students) - vendors	23,000	(12,046)	10,954	10,100	854
Contracted services - regular students ESC's	105,000	-	105,000	83,829	21,171
Contracted services (special education students) ESC's	65,000	-	65,000	61,068	3,932
Contracted services - aid in lieu payments	32,000	-	32,000	22,100	9,900
Travel	-	414	414	414	-
Miscellaneous purchased services - transportation	16,837	(7,000)	9,837	9,482	355
Supplies and materials	28,481	3,817	32,298	32,157	141
Miscellaneous expenditures	1,200	-	1,200	822	378
Total student transportation services	582,076	(22,666)	559,410	481,622	77,788
Personal services - employee benefits:					
Unallocated benefits:					
Social security contributions	108,445	16,160	124,605	124,563	42
Other retirement contribution - regular	114,949	(17,400)	97,549	97,139	410
Unemployment compensation	20,000	-	20,000	20,000	-
Workman's compensation	65,132	3,054	68,186	68,186	-
Health benefits	1,627,347	(221,681)	1,405,666	1,388,725	16,941
Tuition reimbursement	12,000	(2,000)	10,000	5,204	4,796
Other employee benefits	14,070	23,013	37,083	36,909	174
Total unallocated benefits	1,961,943	(198,854)	1,763,089	1,740,726	22,363
Food service operations					
Transfers to cover deficit	-	-	-	-	-
Total food service operations	-	-	-	-	-
On-behalf contributions:					
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	393,243	(393,243)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	275,363	(275,363)
Total on-behalf contributions	-	-	-	668,606	(668,606)
Total personal services - employee benefits	1,961,943	(198,854)	1,763,089	2,409,332	(646,243)
Total undistributed expenditures	5,797,384	(263,432)	5,533,952	5,788,409	(254,457)
Total current expense	9,786,648	(401,837)	9,384,811	9,536,946	(152,135)

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	\$ 39,625	\$ 14,300	\$ 53,925	\$ 53,530	\$ 395
Grades 6-8	19,560	8,150	27,710	27,541	169
Undistributed expenditures:					
General administration	147,700	(138,895)	8,805	8,790	15
Required maintenance school facilities	8,560	(1,150)	7,410	7,409	1
Custodial services	9,250	(4,000)	5,250	5,250	-
Care & upkeep of grounds	15,000	-	15,000	14,040	960
Undistributed expenditures - non instructional services:					
School buses - regular	177,634	-	177,634	177,634	-
Total equipment	417,329	(121,595)	295,734	294,194	1,540
Facilities acquisition and construction services:					
Architectural/engineering services	-	38,212	38,212	38,212	-
Construction services	-	485,220	485,220	63,775	421,445
SDA assessment	14,699	-	14,699	14,699	-
Total facilities acquisition and construction services	14,699	523,432	538,131	116,686	421,445
Assets acquired under capital leases (non-budgeted)					
School administration	-	-	-	118,566	(118,566)
Total capital outlay	432,028	401,837	833,865	529,446	304,419
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	6,715	-	6,715	4,987	1,728
Total summer school - instruction	6,715	-	6,715	4,987	1,728
Total special schools	6,715	-	6,715	4,987	1,728
Total expenditures	10,225,391	-	10,225,391	10,071,379	154,012
Excess (deficiency) of revenues over (under) expenditures	(1,113,418)	-	(1,113,418)	56,723	1,170,141
Other financing sources (uses):					
Operating transfers in	-	-	-	135,516	135,516
Capital leases (non-budgeted)	-	-	-	118,566	118,566
Total other financing sources (uses)	-	-	-	254,082	254,082
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,113,418)	-	(1,113,418)	310,805	1,424,223
Fund balance, July 1	2,450,861	-	2,450,861	2,450,861	-
Fund balance, June 30	\$ 1,337,443	\$ -	\$ 1,337,443	\$ 2,761,666	\$ 1,424,223

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation					
Restricted fund balance:					
Capital reserve				\$ 1,098	
Maintenance reserve				70,681	
Emergency reserve				100,247	
Excess surplus - designated for subsequent year's expenditures				903,853	
Excess surplus - current year				928,415	
Committed fund balance:					
Other purposes				481,621	
Assigned fund balance:					
Designated for subsequent year's expenditures				-	
Unassigned fund balance				<u>275,751</u>	
Reconciliation to governmental funds statements (GAAP)				2,761,666	
Last state aid payment not recognized on GAAP basis				<u>(43,766)</u>	
Fund Balance per governmental funds (GAAP)				<u><u>\$ 2,717,900</u></u>	

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Education Jobs Fund Program - Budget and Actual
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources					
Education Jobs Fund	\$ -	\$ -	\$ -	\$ 485	\$ 485
Total federal sources	-	-	-	485	485
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485</u>	<u>\$ 485</u>
EXPENDITURES:					
Student transportation services					
Salaries - bus driver	\$ 485	\$ -	\$ 485	\$ 485	\$ -
Total student transportation services	485	-	485	485	-
Total Expenditures	<u>\$ 485</u>	<u>\$ -</u>	<u>\$ 485</u>	<u>\$ 485</u>	<u>\$ -</u>

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 194,007	\$ 71,025	\$ 265,032	\$ 264,160	\$ (872)
Federal sources	185,788	172,373	358,161	349,817	(8,344)
Local sources	-	8,631	8,631	8,566	(65)
Total Revenues	379,795	252,029	631,824	622,543	(9,281)
EXPENDITURES:					
Instruction					
Salaries of teachers	10,095	3,585	13,680	13,680	-
Purchased professional and technical services	20,434	27,158	47,592	46,946	646
General supplies	-	8,465	8,465	8,400	65
Tuition	-	100,000	100,000	100,000	-
Textbooks	17,223	1,645	18,868	18,616	252
Other purchased services	156,376	62,838	219,214	219,214	-
Total Instruction	204,128	203,691	407,819	406,856	963
Support Services					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-
Salaries of program directors	-	-	-	-	-
Salaries of secretaries and clerical assistants	-	-	-	-	-
Other salaries	-	-	-	-	-
Personal services - employee benefits	-	3,462	3,462	1,464	1,998
Purchased professional - educational services	175,667	39,163	214,830	208,513	6,317
Travel	-	-	-	-	-
Supplies and materials	-	4,026	4,026	4,023	3
Purchased service	-	-	-	-	-
Miscellaneous expenditures	-	675	675	675	-
Total Support Services	175,667	47,326	222,993	214,675	8,318
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	1,012	1,012	1,012	-
Total Facilities Acquisition and Construction Services	-	1,012	1,012	1,012	-
Total Expenditures	379,795	252,029	631,824	622,543	9,281
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	379,795	252,029	631,824	622,543	9,281
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

See management's discussion and analysis section of this report for explanation of significant variances, original and final.

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION**

WEST LONG BRANCH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Budget-to-GAAP Reconciliation
 Fiscal Year ended June 30, 2012

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
 GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 10,128,102	\$ 622,543
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	6,961
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(43,766)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>22,480</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$ 10,106,816</u></u>	<u><u>\$ 629,504</u></u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,952,813	\$ 622,543
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	6,961
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 9,952,813</u></u>	<u><u>\$ 629,504</u></u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted for specific purposes.

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	I.D.E.A. Part B				Title I		Total Other Special Projects (Ex. E-1a)	Total Nonpublic Programs (Ex. E-1b)	Totals 2012
	Preschool 2010-2011	Regular 2010-2011	Regular Carryover	Preschool Carryover	2010-2011	Carryover			
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,566	\$ -	\$ 8,566
State sources	-	-	-	-	-	-	-	264,160	264,160
Federal sources	11,997	191,575	45,768	3,541	18,611	1,464	76,861	-	349,817
Total revenues	<u>\$ 11,997</u>	<u>\$ 191,575</u>	<u>\$ 45,768</u>	<u>\$ 3,541</u>	<u>\$ 18,611</u>	<u>\$ 1,464</u>	<u>\$ 85,427</u>	<u>\$ 264,160</u>	<u>\$ 622,543</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ 13,680	\$ -	\$ -	\$ -	\$ 13,680
Purchased professional and technical services	-	18,745	-	1,871	-	-	-	26,330	46,946
Textbooks	-	-	-	-	-	-	-	18,616	18,616
General supplies	-	-	-	-	755	-	7,645	-	8,400
Tuition	-	100,000	-	-	-	-	-	-	100,000
Purchased services	-	-	-	-	-	-	-	219,214	219,214
Total instruction	<u>-</u>	<u>118,745</u>	<u>-</u>	<u>1,871</u>	<u>14,435</u>	<u>-</u>	<u>7,645</u>	<u>264,160</u>	<u>406,856</u>
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	11,997	72,155	45,768	1,670	4,176	-	72,747	-	208,513
Personnel services - employee benefits	-	-	-	-	-	1,464	-	-	1,464
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	4,023	-	4,023
Miscellaneous expenditures	-	675	-	-	-	-	-	-	675
Total support services	<u>11,997</u>	<u>72,830</u>	<u>45,768</u>	<u>1,670</u>	<u>4,176</u>	<u>1,464</u>	<u>76,770</u>	<u>-</u>	<u>214,675</u>
Facilities Acquisition and Construction:									
Non-Instructional Equipment	-	-	-	-	-	-	1,012	-	1,012
Total expenditures	<u>\$ 11,997</u>	<u>\$ 191,575</u>	<u>\$ 45,768</u>	<u>\$ 3,541</u>	<u>\$ 18,611</u>	<u>\$ 1,464</u>	<u>\$ 85,427</u>	<u>\$ 264,160</u>	<u>\$ 622,543</u>

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2012

	Title II A		ARRA Basic	ARRA Preschool	Foundation Grants	Safety Grant	Carryforward to Ex. E-1 Total Other Special Programs
	2010-2011	Carryover	2010-2011	2010-2011			
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 7,554	\$ 1,012	\$ 8,566
State sources	-	-	-	-	-	-	-
Federal sources	13,989	6,579	55,235	1,058	-	-	76,861
Total revenues	\$ 13,989	\$ 6,579	\$ 55,235	\$ 1,058	\$ 7,554	\$ 1,012	\$ 85,427
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
General supplies	-	-	91	-	7,554	-	7,645
Tuition	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-
Total instruction	-	-	91	-	7,554	-	7,645
Support services:							
Salaries of program directors	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-
Other purchased professional services	13,989	2,556	55,144	1,058	-	-	72,747
Personnel services - employee benefits	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-
Supplies and materials	-	4,023	-	-	-	-	4,023
Miscellaneous expenditures	-	-	-	-	-	-	-
Total support services	13,989	6,579	55,144	1,058	-	-	76,770
Facilities Acquisition and Construction:							
Non-Instructional Equipment	-	-	-	-	-	1,012	1,012
Total expenditures	\$ 13,989	\$ 6,579	\$ 55,235	\$ 1,058	\$ 7,554	\$ 1,012	\$ 85,427

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2012

	N.J. Nonpublic Handicapped Services Ch. 193			N.J. Nonpublic Auxiliary Services Ch. 192					Carryforward to Ex. E-1 Total Nonpublic Programs
	Examination and Classification	Speech Correction	Supplemental Instruction	Compensatory	English as a Second Language	Transportation	Nonpublic Textbooks	Nonpublic Nursing	
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	44,610	33,807	30,516	94,340	4,051	11,890	18,616	26,330	264,160
Federal sources	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 44,610</u>	<u>\$ 33,807</u>	<u>\$ 30,516</u>	<u>\$ 94,340</u>	<u>\$ 4,051</u>	<u>\$ 11,890</u>	<u>\$ 18,616</u>	<u>\$ 26,330</u>	<u>\$ 264,160</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	-	-	26,330	26,330
Textbooks	-	-	-	-	-	-	18,616	-	18,616
General supplies	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Other purchased services	44,610	33,807	30,516	94,340	4,051	11,890	-	-	219,214
Total instruction	<u>44,610</u>	<u>33,807</u>	<u>30,516</u>	<u>94,340</u>	<u>4,051</u>	<u>11,890</u>	<u>18,616</u>	<u>26,330</u>	<u>264,160</u>
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	-	-
Personnel services - employee benefits	-	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction: Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 44,610</u>	<u>\$ 33,807</u>	<u>\$ 30,516</u>	<u>\$ 94,340</u>	<u>\$ 4,051</u>	<u>\$ 11,890</u>	<u>\$ 18,616</u>	<u>\$ 26,330</u>	<u>\$ 264,160</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2012

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
BME Attic insulation replacement	7/23/2010	<u>\$ 256,972</u>	<u>\$ 90,708</u>	<u>\$ 166,264</u>	<u>\$ -</u>
Totals		<u><u>\$ 256,972</u></u>	<u><u>\$ 90,708</u></u>	<u><u>\$ 166,264</u></u>	<u><u>\$ -</u></u>

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources

State Sources - Schools Development Authority Grant	\$ (88,346)
Bond proceeds and transfers	-
Interest income	-
Total revenues	<u>(88,346)</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	14,304
General supplies	-
Construction services	151,960
Other objects	-
Equipment purchases	-
Transfer to general fund	<u>135,516</u>
Total expenditures	<u>301,780</u>

Excess (deficiency) of revenues over (under) expenditures (390,126)

Fund balance - beginning 390,126

Fund balance - ending \$ -

WEST LONG BRANCH SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis

Attic Insulation Replacement at Betty McElmon School

From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 192,334	\$ (88,346)	\$ 103,988	\$ 103,988
Bond proceeds and transfers	288,500	(135,516)	152,984	152,984
Transfer from capital reserves	-	-	-	-
Total revenues	<u>480,834</u>	<u>(223,862)</u>	<u>256,972</u>	<u>256,972</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	24,264	14,304	38,568	38,568
Construction services	<u>66,444</u>	<u>151,960</u>	<u>218,404</u>	<u>218,404</u>
Total expenditures	<u>90,708</u>	<u>166,264</u>	<u>256,972</u>	<u>256,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 390,126</u>	<u>\$ (390,126)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	5640-080-10-1001			
Grant date	7/23/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$ 480,834			
Additional authorized cost	\$ (223,862)			
Revised authorized cost	\$ 256,972			
Percentage increase over original authorized cost	0.00%			
Percentage completion	100%			
Original target completion date	Aug-11			
Revised target completion date	Aug-11			

PROPRIETARY FUNDS DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Service Fund – This fund provides for the operation of food service in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, and B-6

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations and other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
Trust and Agency Funds
June 30, 2012

	Trust			Agency		
	Unemployment Compensation	Private Purpose	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
ASSETS:						
Cash and cash equivalents	\$ 26,640	\$ 10,218	\$ 36,858	\$ 24,014	\$ 12,911	\$ 36,925
Receivable from State of NJ	-	-	-	-	-	-
Total assets	<u>26,640</u>	<u>10,218</u>	<u>36,858</u>	<u>\$ 24,014</u>	<u>\$ 12,911</u>	<u>\$ 36,925</u>
LIABILITIES:						
Payroll deductions and withholdings	4,789	-	4,789	\$ -	\$ 12,911	\$ 12,911
Due to student groups	-	-	-	24,014	-	24,014
Total liabilities	<u>4,789</u>	<u>-</u>	<u>4,789</u>	<u>\$ 24,014</u>	<u>\$ 12,911</u>	<u>\$ 36,925</u>
NET ASSETS:						
Unreserved	<u>21,851</u>	<u>10,218</u>	<u>32,069</u>			
Total net assets	<u>\$ 21,851</u>	<u>\$ 10,218</u>	<u>\$ 32,069</u>			

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total Trusts
ADDITIONS:			
Contributions:			
Plan member	\$ 20,311	\$ -	\$ 20,311
Other	-	500	500
Total contributions	<u>20,311</u>	<u>500</u>	<u>20,811</u>
Investment earnings:			
Interest	-	-	-
Net investment earnings	-	-	-
Total Additions	<u>20,311</u>	<u>500</u>	<u>20,811</u>
DEDUCTIONS:			
Unemployment claims	17,530	-	17,530
Scholarships awarded	-	400	400
Total Deductions	<u>17,530</u>	<u>400</u>	<u>17,930</u>
Change in Net Assets	2,781	100	2,881
Net Assets - Beginning of Year	<u>19,070</u>	<u>10,118</u>	<u>29,188</u>
Net Assets - End of Year	<u><u>\$ 21,851</u></u>	<u><u>\$ 10,218</u></u>	<u><u>\$ 32,069</u></u>

WEST LONG BRANCH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
ELEMENTARY SCHOOLS:				
Frank Antonides School	\$ 12,817	\$ 31,651	\$ 23,819	\$ 20,649
Betty McElmon Elementary School	<u>4,379</u>	<u>3,144</u>	<u>4,158</u>	<u>3,365</u>
Total elementary schools	<u><u>\$ 17,196</u></u>	<u><u>\$ 34,795</u></u>	<u><u>\$ 27,977</u></u>	<u><u>\$ 24,014</u></u>

WEST LONG BRANCH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 2,460	\$ 2,405,477	\$ 2,395,026	\$ 12,911
Total assets	<u>\$ 2,460</u>	<u>\$ 2,405,477</u>	<u>\$ 2,395,026</u>	<u>\$ 12,911</u>
LIABILITIES:				
Payroll deductions and withholding	\$ 2,460	\$ 2,405,477	\$ 2,395,026	\$ 12,911
Total liabilities	<u>\$ 2,460</u>	<u>\$ 2,405,477</u>	<u>\$ 2,395,026</u>	<u>\$ 12,911</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Serial Bonds
As of June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		July 1, 2011			June 30, 2012
Additions and renovations of Betty McElmon Elementary School	11/15/2003	\$ 5,538,000	6/30/2013	410,000	3.250%	\$ 2,863,000	\$ -	\$ 405,000	\$ 2,458,000
			6/30/2014	410,000	3.375%				
			6/30/2015	410,000	3.500%				
			6/30/2016	410,000	3.625%				
			6/30/2017	410,000	3.750%				
			6/30/2018	408,000	3.750%				
						<u>\$ 2,863,000</u>	<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ 2,458,000</u>

WEST LONG BRANCH SCHOOL DISTRICT
Long Term Debt
Schedule of Obligations under Capital Lease
As of June 30, 2012

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2012</u>
Computer equipment	\$ 118,566	\$ -	\$ 118,566	\$ 40,000	\$ 78,566
		<u>\$ -</u>	<u>\$ 118,566</u>	<u>\$ 40,000</u>	<u>\$ 78,566</u>

WEST LONG BRANCH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 505,212	\$ -	\$ 505,212	\$ 505,212	\$ -
Total revenues	505,212	-	505,212	505,212	-
EXPENDITURES:					
Regular debt service:					
Interest	100,212	-	100,212	100,212	-
Redemption of principal	405,000	-	405,000	405,000	-
Total regular debt service	505,212	-	505,212	505,212	-
Total expenditures	505,212	-	505,212	505,212	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	-	-	-
Fund balances, July 1	-	-	-	1	1
Fund balances, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1
<u>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</u>					
Budgeted fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	71 - 77
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	78 - 81
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	82 - 85
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	86 - 87
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	88 - 94

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

WEST LONG BRANCH SCHOOL DISTRICT
Net Assets by Component
Last Nine Fiscal Years
Accrual Basis of Accounting
Unaudited

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Governmental activities									
Invested in capital assets, net of related debt	\$ 7,116,977	\$ 6,548,006	\$ 6,463,455	\$ 5,308,580	\$ 4,772,195	\$ 4,076,420	\$ 3,264,577	\$ 1,660,551	\$ (5,115,671)
Restricted	2,485,916	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215	1,545,789	7,155,677
Unrestricted	156,908	139,316	71,003	10,381	140,114	642,705	288,680	513,777	528,742
Total governmental activities net assets	<u>\$ 9,759,801</u>	<u>\$ 9,110,237</u>	<u>\$ 8,246,301</u>	<u>\$ 6,659,951</u>	<u>\$ 5,973,126</u>	<u>\$ 5,135,159</u>	<u>\$ 4,070,472</u>	<u>\$ 3,720,117</u>	<u>\$ 2,568,748</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 21,728	\$ 25,917	\$ 1,600	\$ 2,765	\$ 3,996	\$ 5,390	\$ 5,250	\$ 4,614	\$ 8,844
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	30,392	34,516	48,486	16,757	4,427	21,298	26,914	29,246	23,647
Total business-type activities net assets	<u>\$ 52,120</u>	<u>\$ 60,433</u>	<u>\$ 50,086</u>	<u>\$ 19,522</u>	<u>\$ 8,423</u>	<u>\$ 26,688</u>	<u>\$ 32,164</u>	<u>\$ 33,860</u>	<u>\$ 32,491</u>
District-wide									
Invested in capital assets, net of related debt	\$ 7,138,705	\$ 6,573,923	\$ 6,465,055	\$ 5,311,345	\$ 4,776,191	\$ 4,081,810	\$ 3,269,827	\$ 1,665,165	\$ (5,106,827)
Restricted	2,485,916	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215	1,545,789	7,155,677
Unrestricted	187,300	173,832	119,489	27,138	144,541	664,003	315,594	543,023	552,389
Total district-wide net assets	<u>\$ 9,811,921</u>	<u>\$ 9,170,670</u>	<u>\$ 8,296,387</u>	<u>\$ 6,679,473</u>	<u>\$ 5,981,549</u>	<u>\$ 5,161,847</u>	<u>\$ 4,102,636</u>	<u>\$ 3,753,977</u>	<u>\$ 2,601,239</u>

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Assets
Last Nine Fiscal Years
Accrual Basis of Accounting
Unaudited

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Expenses									
Governmental activities									
Instruction									
Regular	\$ 4,611,668	\$ 4,527,973	\$ 4,534,616	\$ 4,469,709	\$ 4,553,586	\$ 4,480,911	\$ 4,126,005	\$ 3,993,415	\$ 3,751,638
Special education	888,005	742,089	651,830	793,679	886,182	789,271	565,229	402,925	364,100
Other special education	-	-	-	-	-	-	-	-	143,301
Other instruction	602,393	587,988	533,885	271,530	220,229	177,982	494,773	468,102	208,290
Support Services									
Instruction	391,241	365,302	263,105	452,371	476,225	398,835	551,614	501,042	630,654
Student & instruction related services	1,226,308	1,114,672	1,250,458	1,285,058	1,245,389	1,145,497	1,103,406	874,200	891,208
School Administrative services	364,867	421,025	548,042	511,660	553,046	525,182	485,795	450,144	457,445
General and business administrative services	354,448	391,427	360,662	327,026	509,682	421,373	422,161	371,771	593,239
Central services and administrative information technology	369,615	382,478	353,768	309,362	296,768	280,827	266,874	264,515	-
Plant operations and maintenance	1,107,375	966,294	1,086,021	1,197,769	1,109,530	1,058,368	1,100,657	796,654	774,154
Pupil transportation	638,553	541,939	569,270	720,539	706,680	669,977	678,603	584,157	770,399
Special Schools	4,988	3,150	11,738	19,984	22,803	6,300	3,675	4,000	4,500
Interest on long-term debt	100,212	111,913	147,064	174,055	196,139	216,210	234,951	254,411	255,200
Total governmental activities expenses	<u>10,659,673</u>	<u>10,156,250</u>	<u>10,310,459</u>	<u>10,532,742</u>	<u>10,776,259</u>	<u>10,170,733</u>	<u>10,033,743</u>	<u>8,965,336</u>	<u>8,844,128</u>
Business-type activities									
Food service	<u>172,425</u>	<u>123,577</u>	<u>137,109</u>	<u>167,560</u>	<u>182,319</u>	<u>155,923</u>	<u>160,487</u>	<u>165,837</u>	<u>160,131</u>
Total business-type activities expense	<u>172,425</u>	<u>123,577</u>	<u>137,109</u>	<u>167,560</u>	<u>182,319</u>	<u>155,923</u>	<u>160,487</u>	<u>165,837</u>	<u>160,131</u>
Total district expenses	<u>\$ 10,832,098</u>	<u>\$ 10,279,827</u>	<u>\$ 10,447,568</u>	<u>\$ 10,700,302</u>	<u>\$ 10,958,578</u>	<u>\$ 10,326,656</u>	<u>\$ 10,194,230</u>	<u>\$ 9,131,173</u>	<u>\$ 9,004,259</u>
Program Revenues									
Governmental activities									
Charges for services									
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ 14,597	\$ 1,246	\$ -
Operating grants and contributions	<u>1,284,864</u>	<u>1,142,380</u>	<u>1,172,048</u>	<u>1,090,202</u>	<u>1,415,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities program revenues	<u>\$ 1,284,864</u>	<u>\$ 1,142,380</u>	<u>\$ 1,172,048</u>	<u>\$ 1,090,202</u>	<u>\$ 1,415,424</u>	<u>\$ 775</u>	<u>\$ 14,597</u>	<u>\$ 1,246</u>	<u>\$ -</u>

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Assets
Last Nine Fiscal Years
Accrual Basis of Accounting
Unaudited

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Business-type activities									
Charges for services									
Food service	\$ 122,346	\$ 127,603	\$ 137,383	\$ 136,909	\$ 126,809	\$ 119,061	\$ 122,367	\$ 130,998	\$ 124,489
Operating grants and contributions	41,766	37,493	34,355	41,578	36,336	29,311	34,494	36,208	36,781
Total business-type activities program revenues	164,112	165,096	171,738	178,487	163,145	148,372	156,861	167,206	161,270
Total district program revenues	<u>\$ 1,448,976</u>	<u>\$ 1,307,476</u>	<u>\$ 1,343,786</u>	<u>\$ 1,268,689</u>	<u>\$ 1,578,569</u>	<u>\$ 149,147</u>	<u>\$ 171,458</u>	<u>\$ 168,452</u>	<u>\$ 161,270</u>
Net (Expense) Revenue									
Governmental activities	\$ (9,374,809)	\$ (9,013,870)	\$ (9,138,411)	\$ (9,442,540)	\$ (9,360,835)	\$ (10,169,958)	\$ (10,019,146)	\$ (8,964,090)	\$ (8,844,128)
Business-type activities	(8,313)	41,519	34,629	10,927	(19,174)	(7,551)	(3,626)	1,369	1,139
Total district-wide net expenses	<u>\$ (9,383,122)</u>	<u>\$ (8,972,351)</u>	<u>\$ (9,103,782)</u>	<u>\$ (9,431,613)</u>	<u>\$ (9,380,009)</u>	<u>\$ (10,177,509)</u>	<u>\$ (10,022,772)</u>	<u>\$ (8,962,721)</u>	<u>\$ (8,842,989)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities									
Property taxes levied for general purposes, net	\$ 9,010,204	\$ 9,193,149	\$ 8,969,374	\$ 8,744,590	\$ 8,485,037	\$ 8,201,959	\$ 7,715,655	\$ 7,421,800	\$ 7,113,395
Taxes levied for debt service	505,212	501,913	1,070,636	1,000,353	1,077,688	1,037,688	953,497	938,188	606,479
Federal and state aid not restricted	276,009	136,751	610,696	467,815	550,581	1,849,117	1,600,234	1,531,342	3,704,566
Investment earnings	1,892	2,836	7,633	21,530	72,987	99,998	87,665	95,611	41,336
Asset revaluation adjustment	-	-	-	(138,525)	-	-	-	-	-
Transfers	-	31,195	4,170	-	-	-	-	-	-
Miscellaneous income	231,056	11,962	62,252	33,602	12,508	45,883	12,451	46,377	97,964
Transfers from defeased bond escrow account	-	-	-	-	-	-	-	-	470,000
Total governmental activities	<u>10,024,373</u>	<u>9,877,806</u>	<u>10,724,761</u>	<u>10,129,365</u>	<u>10,198,801</u>	<u>11,234,645</u>	<u>10,369,502</u>	<u>10,033,318</u>	<u>12,033,740</u>
Business-type activities									
Investment earnings	-	23	105	172	909	2,075	1,929	-	-
Transfers	-	(31,195)	(4,170)	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>(31,172)</u>	<u>(4,065)</u>	<u>172</u>	<u>909</u>	<u>2,075</u>	<u>1,929</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 10,024,373</u>	<u>\$ 9,846,634</u>	<u>\$ 10,720,696</u>	<u>\$ 10,129,537</u>	<u>\$ 10,199,710</u>	<u>\$ 11,236,720</u>	<u>\$ 10,371,431</u>	<u>\$ 10,033,318</u>	<u>\$ 12,033,740</u>
Change in Net Assets									
Governmental activities	\$ 649,564	\$ 863,936	\$ 1,586,350	\$ 686,825	\$ 837,966	\$ 1,064,687	\$ 350,356	\$ 1,069,228	\$ 3,189,612
Business-type activities	(8,313)	10,347	30,564	11,099	(18,265)	(5,476)	(1,697)	1,369	1,139
Total district	<u>\$ 641,251</u>	<u>\$ 874,283</u>	<u>\$ 1,616,914</u>	<u>\$ 697,924</u>	<u>\$ 819,701</u>	<u>\$ 1,059,211</u>	<u>\$ 348,659</u>	<u>\$ 1,070,597</u>	<u>\$ 3,190,751</u>

Note: Central services and administrative technology account classifications were added beginning with year ended June 30, 2005.

Prior to June 30, 2005 central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003
General Fund										
Reserved	\$ 9,485,915	\$ 2,188,839	\$ 1,379,678	\$ 475,028	\$ 865,455	\$ 832,944	\$ 458,342	\$ 903,249	\$ 326,174	\$ 32,879
Unreserved	231,985	239,542	186,153	975,365	326,417	226,551	185,767	221,907	296,838	274,374
Total general fund	<u>\$ 9,717,900</u>	<u>\$ 2,428,381</u>	<u>\$ 1,565,831</u>	<u>\$ 1,450,393</u>	<u>\$ 1,191,872</u>	<u>\$ 1,059,495</u>	<u>\$ 644,109</u>	<u>\$ 1,125,156</u>	<u>\$ 623,012</u>	<u>\$ 307,253</u>
All Other Governmental Funds										
Reserved	\$ -	\$ 234,075	\$ -	\$ -	\$ -	\$ -	\$ 229,449	\$ 760,579	\$ 6,653,674	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Special revenue fund	-	-	-	-	-	-	(2,434)	-	-	-
Capital projects fund	-	-	332,164	-	95,360	95,360	53,192	216,638	376,342	-
Debt service fund	1	1	1	2	2	1	1	42,892	73,741	264
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1</u>	<u>\$ 234,076</u>	<u>\$ 332,165</u>	<u>\$ 2</u>	<u>\$ 95,362</u>	<u>\$ 95,361</u>	<u>\$ 280,208</u>	<u>\$ 1,020,109</u>	<u>\$ 7,103,757</u>	<u>\$ 264</u>

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Function	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003
Revenues										
Tax levy	\$ 9,515,416	\$ 9,695,062	\$ 10,040,010	\$ 9,744,943	\$ 9,562,725	\$ 9,239,647	\$ 8,669,152	\$ 8,359,988	\$ 7,719,874	\$ 7,179,964
Tuition charges	-	-	-	-	-	775	14,597	1,246	-	692
Interest earnings	1,892	2,836	7,633	21,530	72,987	99,998	87,665	95,611	41,336	11,797
Contributions	-	-	-	-	-	-	-	-	-	54,034
Miscellaneous	231,056	22,843	62,252	41,152	12,508	45,883	12,451	46,377	97,964	14,424
State sources	1,232,006	919,546	1,487,266	1,329,021	1,728,199	1,613,968	1,348,154	1,268,603	3,335,756	962,586
Federal sources	328,867	348,704	295,478	221,446	237,806	235,149	252,080	262,740	368,810	213,281
Total revenues	11,309,237	10,988,991	11,892,639	11,358,092	11,614,225	11,235,420	10,384,099	10,034,565	11,563,740	8,436,778
Expenditures										
Instruction										
Regular Instruction	3,200,325	3,217,070	3,337,898	3,290,615	3,230,358	3,258,086	3,123,692	3,093,242	2,982,262	2,701,724
Special education instruction	586,896	506,732	451,707	383,690	619,456	581,024	417,526	292,233	273,462	181,214
Other special instruction	-	-	-	-	-	-	-	345,780	107,204	103,779
Other instruction	405,122	402,064	389,340	365,378	135,332	141,848	358,786	-	166,184	146,538
Support Services										
Instruction	391,241	365,302	263,105	452,371	476,225	398,835	551,614	501,042	630,654	832,280
Student & instruction related services	851,496	789,387	902,991	987,643	931,492	870,747	865,086	701,123	751,811	543,514
School administrative services	333,344	282,354	368,614	354,127	368,621	354,652	344,704	327,160	346,879	418,921
General & business administrative services	236,534	305,563	275,325	285,119	376,655	264,283	296,333	283,520	524,840	523,672
Central services	223,076	209,573	233,022	261,259	232,555	218,853	207,022	207,193	-	-
Administrative technology information	108,090	69,132	69,441	524	64,213	61,974	59,852	57,322	-	-
Plant operations and maintenance	934,280	813,760	920,005	999,750	931,100	895,821	959,014	692,574	685,528	567,415
Pupil transportation	481,623	450,482	470,934	596,805	598,875	569,623	589,294	504,628	604,066	594,959
Unallocated benefits	2,409,331	2,247,651	2,058,258	1,979,132	2,284,998	2,060,073	1,713,892	1,524,510	1,344,092	1,154,295
Special Schools	4,988	3,150	11,738	19,984	22,803	6,300	3,675	4,000	4,500	5,788
Transfer of funds to charter schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	700,801	91,592	626,193	122,821	131,477	285,075	1,118,168	6,112,705	882,182	117,878
Debt service										
Principal	405,000	390,000	930,000	930,000	890,000	830,000	770,000	725,000	425,000	425,000
Interest and other charges	100,212	111,913	140,637	165,713	187,688	207,688	226,388	244,037	305,880	185,883
Total expenditures	11,372,359	10,255,725	11,449,208	11,194,931	11,481,848	11,004,882	11,605,046	15,616,069	10,034,544	8,502,860
Excess (Deficiency) of revenues over (under) expenditures	(63,122)	733,266	443,431	163,161	132,377	230,538	(1,220,947)	(5,581,504)	1,529,196	(66,082)

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Function	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$ 118,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,919	\$ -
Proceeds from refunding	-	-	-	-	-	-	-	-	8,533,000	-
Refunding funds in escrow	-	-	-	-	-	-	-	-	470,000	-
Payments to escrow agent	-	-	-	-	-	-	-	-	(3,305,000)	-
Transfers in	135,516	652,220	676,886	95,737	1,468	3,210	28,337	55,939	72,782	-
Transfers out	(135,516)	(621,025)	(672,716)	(95,737)	(1,468)	(3,210)	(28,337)	(55,939)	(72,782)	-
Total other financing sources (uses)	<u>118,566</u>	<u>31,195</u>	<u>4,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,891,919</u>	<u>-</u>
Net change in fund balances	<u>\$ 55,444</u>	<u>\$ 764,461</u>	<u>\$ 447,601</u>	<u>\$ 163,161</u>	<u>\$ 132,377</u>	<u>\$ 230,538</u>	<u>\$ (1,220,947)</u>	<u>\$ (5,581,504)</u>	<u>\$ 7,421,115</u>	<u>\$ (66,082)</u>
Debt service as a percentage of noncapital expenditures	<u>4.73%</u>	<u>4.94%</u>	<u>9.89%</u>	<u>9.90%</u>	<u>9.49%</u>	<u>9.68%</u>	<u>9.50%</u>	<u>10.20%</u>	<u>7.99%</u>	<u>7.29%</u>

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.
Central services and administrative information technology account classifications were added beginning with year ended June 30, 2005.
Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Description	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,150	\$ -	\$ 40,608	\$ 18,000	\$ 54,034
Interest	1,892	2,475	6,694	21,153	71,522	96,733	90,585	-	-	-
Prior year miscellaneous refunds	<u>15,085</u>	<u>11,962</u>	<u>54,962</u>	<u>33,602</u>	<u>12,508</u>	<u>13,732</u>	<u>-</u>	<u>850</u>	<u>79,964</u>	<u>14,424</u>
	<u>\$ 16,977</u>	<u>\$ 14,437</u>	<u>\$ 61,656</u>	<u>\$ 54,755</u>	<u>\$ 84,030</u>	<u>\$ 142,615</u>	<u>\$ 90,585</u>	<u>\$ 41,458</u>	<u>\$ 97,964</u>	<u>\$ 68,458</u>

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2003	\$ 6,003,800	\$ 520,326,800	\$ 304,800	\$ 15,000	\$ 146,459,600	\$ 2,111,600	\$ 966,000	\$ 676,187,600	\$ -	\$ 1,020,828	\$ 677,208,428	\$ 835,561,003	1.610
2004	6,087,600	521,308,400	973,200	20,300	147,193,800	1,506,000	966,000	678,055,300	-	928,605	678,983,905	921,880,967	1.719
2005	7,072,100	523,224,400	973,200	12,800	135,726,000	1,506,000	966,000	669,480,500	-	769,833	670,250,333	1,065,546,755	1.860
2006	13,726,300	1,071,212,300	2,489,900	15,750	264,299,200	3,254,900	1,907,600	1,356,905,950	-	1,125,666	1,358,031,616	1,209,654,810	0.972
2007	12,951,100	1,075,993,300	1,625,900	17,600	262,126,700	3,254,900	1,907,600	1,357,877,100	-	1,104,472	1,358,981,572	1,423,756,655	1.013
2008	11,834,400	1,081,943,400	1,625,900	17,600	254,243,700	3,254,900	1,907,600	1,354,827,500	-	1,121,950	1,355,949,450	1,463,073,787	1.013
2009	14,361,500	1,080,916,700	1,625,900	17,600	254,648,500	3,254,900	1,907,600	1,356,732,700	-	1,213,791	1,357,946,491	1,431,169,976	1.049
2010	18,132,300	1,082,524,800	1,625,900	17,600	247,955,700	3,254,900	1,907,600	1,355,418,800	-	1,260,759	1,356,679,559	1,378,188,012	1.100
2011	16,116,200	1,075,233,300	1,625,900	17,600	239,584,400	3,254,900	8,013,700	1,343,846,000	-	1,052,134	1,344,898,134	1,329,061,308	1.103
2012	15,459,600	1,068,747,000	1,625,900	17,600	235,078,900	3,254,900	28,007,600	1,352,191,500	-	1,009,980	1,353,201,480	1,235,297,174	1.096

Source: New Jersey's Monmouth County Board of Taxation Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	West Long Branch School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Borough of West Long Branch	Monmouth County	
2003	1.473	0.137	1.610	0.530	0.517	2.657
2004	1.584	0.135	1.719	0.600	0.510	2.829
2005	1.651	0.209	1.860	0.684	0.526	3.070
2006	0.865	0.107	0.972	0.355	0.267	1.594
2007	0.902	0.111	1.013	0.384	0.284	1.681
2008	0.909	0.104	1.013	0.384	0.284	1.681
2009	0.937	0.112	1.049	0.404	0.275	1.728
2010	0.979	0.121	1.100	0.469	0.280	1.849
2011	1.046	0.057	1.103	0.502	0.275	1.880
2012	1.038	0.058	1.096	0.524	0.267	1.887

Source: Borough Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b Rates for debt service are based on each year's requirements. At the time of the CAFR completion, this data was not available.

N/A: At the time of the the CAFR completion, the data was not yet available.

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Principal Taxpayers
Current Year and Nine Years Ago
Unaudited

	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
BG Monmouth, LLC	\$ 43,000,000	3.18%
Avalon West Long Branch, LLC	26,100,000	1.93%
WLB of New Jersey, LLC	21,300,000	1.57%
185 Monmouth Parkway Associates	16,985,500	1.26%
136 Monmouth Road Holding, LLC	10,200,000	0.75%
West Long Branch Shopping Center	6,651,000	0.49%
West Long Branch Lodging Realty, LLC	6,182,200	0.46%
Cedar Village Group, LLC	5,732,200	0.42%
MAMTA Enterprises, Inc.	5,553,300	0.41%
Schneider-Nelson Realty, LLC	5,186,200	0.38%
TOTAL	\$ 146,890,400	10.85%

	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value
BG Monmouth, LLC	\$ 28,500,000	4.21%
185 Monmouth Park Associates	27,362,300	4.04%
WLB of NJ, LLC	12,956,400	1.91%
Rudin & Glaberson	7,920,200	1.17%
Newport WLB, LLC	4,200,000	0.62%
WLB Shopping Center	3,840,000	0.57%
Esplanade West Long Branch, LLC	3,400,000	0.50%
McIntosh Inn of West Long Branch, Inc.	3,384,000	0.50%
Schneider-Nelson Realty, LLC	2,570,900	0.38%
JAT Associates	2,446,500	0.36%
TOTAL	\$ 96,580,300	14.26%

Source: Municipal Tax Assessor

WEST LONG BRANCH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last Ten Years
Unaudited

Year Ended December 31,	Total Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 16,692,670	\$ 16,440,918	98.49%	\$ 213,398
2003	18,041,791	17,836,555	98.86%	183,849
2004	19,404,083	19,285,752	99.39%	110,044
2005	20,733,864	20,526,556	99.00%	147,620
2006	21,718,651	21,375,133	98.42%	269,012
2007	22,941,062	22,559,849	98.34%	280,393
2008	23,481,959	23,083,958	98.31%	313,116
2009	24,395,876	24,015,382	98.44%	309,047
2010	25,133,408	24,522,944	97.57%	365,363
2011	25,780,638	25,121,932	97.44%	390,851

Source: Borough Tax Collector

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

WEST LONG BRANCH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District Debt	Percentage of Personal Income ^a	Per Capita ^a
	Serial Bonds	Capital Leases	Capital Leases			
2003	\$ -	\$ 3,621,016	\$ -	\$ 3,621,016	0.99%	\$ 436
2004	8,328,000	244,201	-	8,572,201	2.18%	1,030
2005	7,603,000	173,425	-	7,776,425	1.90%	936
2006	6,833,000	118,272	-	6,951,272	1.54%	829
2007	6,003,000	63,323	-	6,066,323	1.25%	724
2008	5,113,000	25,198	-	5,138,198	1.03%	614
2009	4,183,000	-	-	4,183,000	0.90%	500
2010	3,253,000	-	-	3,253,000	0.68%	387
2011	2,863,000	-	-	2,863,000	N/A	353
2012	2,458,000	78,566	-	2,536,566	N/A	313

Sources: District records

N/A: At the time of the CAFR completion, the data was not yet available

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.

WEST LONG BRANCH SCHOOL DISTRICT
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Net Bonded Debt Per Capita ^b
	Serial Bonds	Deductions			
2003	\$ -	\$ -	\$ -	0.000%	\$ -
2004	8,328,000	-	8,328,000	1.227%	1,001
2005	7,603,000	-	7,603,000	1.134%	915
2006	6,833,000	-	6,833,000	0.503%	815
2007	6,003,000	-	6,003,000	0.442%	716
2008	5,113,000	-	5,113,000	0.377%	611
2009	4,183,000	-	4,183,000	0.308%	500
2010	3,253,000	-	3,253,000	0.240%	387
2011	2,863,000	-	2,863,000	0.213%	353
2012	2,458,000	-	2,458,000	0.182%	303

Sources: Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation.
School district population data was provided by school district officials.

N/A: At the time of the CAFR completion, the data was not yet available.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data

b Population data can be found in Exhibit J-14

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Government Activities Debt
For the Year Ended December 31, 2011
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of West Long Branch	\$ 11,556,488	100.00%	\$ 11,556,488
Monmouth County General Obligation Debt	456,874,186	1.30%	5,939,364
Other debt	-	-	-
Subtotal overlapping debt			17,495,852
West Long Branch School District Direct Debt			3,630,822
Total Direct and Overlapping Debt			<u>\$ 21,126,674</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of West Long Branch. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

WEST LONG BRANCH SCHOOL DISTRICT
Legal Debt Information
For the Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2012	\$ 1,235,297,174
2011	1,344,898,124
2010	<u>1,378,188,012</u>
	<u>\$ 3,958,383,310</u>
Average equalized valuation of taxable property	
	\$ 1,319,461,103
Debt limit (3 % of average equalization value)	
	39,583,833
Total Net Debt Applicable to Limit	<u>2,458,000</u>
Legal debt margin	<u>\$ 37,125,833</u>

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 39,583,833	\$ 41,542,561	\$ 42,724,318	\$ 43,180,004	\$ 40,964,853	\$ 36,989,582	\$ 31,970,825	\$ 28,199,279	\$ 24,901,981	\$ 22,340,120
Total net debt applicable to limit	<u>2,458,000</u>	<u>2,863,000</u>	<u>3,253,000</u>	<u>4,183,000</u>	<u>5,113,000</u>	<u>6,003,000</u>	<u>6,833,000</u>	<u>7,603,000</u>	<u>8,328,000</u>	<u>-</u>
Legal debt margin	<u>\$ 37,125,833</u>	<u>\$ 38,679,561</u>	<u>\$ 39,471,318</u>	<u>\$ 38,997,004</u>	<u>\$ 35,851,853</u>	<u>\$ 30,986,582</u>	<u>\$ 25,137,825</u>	<u>\$ 20,596,279</u>	<u>\$ 16,573,981</u>	<u>\$ 22,340,120</u>
Total net debt applicable to the limit as a percentage of debt limit	6.21%	6.89%	7.61%	9.69%	12.48%	16.23%	21.37%	26.96%	33.44%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website

a Limit set by NJSA 18A:24-19 for a K through 8 district; other percentage limits would be applicable for other district types.

WEST LONG BRANCH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2003	8,310	\$ 367,526,370	\$ 44,227	5.60%
2004	8,319	394,104,306	47,374	4.60%
2005	8,307	408,446,883	49,169	4.30%
2006	8,385	450,408,660	53,716	4.40%
2007	8,383	483,615,270	57,690	4.00%
2008	8,370	496,625,580	59,334	5.20%
2009	8,358	466,075,512	55,764	8.50%
2010	8,416	479,333,280	56,955	8.60%
2011	8,102	N/A	N/A	8.70%
2012	8,105	N/A	N/A	N/A

Sources:

- a Population information provided by the NJ Dept of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c Per Capita Income by Municipality information not available at the time of the CAFR completion. Per capita estimates presented are for Monmouth County provided by the State of New Jersey, Department of Education, Division of Finance.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- N/A At the time of the CAFR completion, the data was not yet available.

WEST LONG BRANCH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Monmouth University	1,350	40.56%	N/A	
Shop Rite	244	7.33%	N/A	
Home Depot	175	5.26%	N/A	
K-Mart	84	2.52%	N/A	
JAT Associates	64	1.92%	N/A	
Circle Infinity	60	1.80%	N/A	
Sports Authority	55	1.65%	N/A	
McDonalds	41	1.23%	N/A	
Zachary's Restaurant	38	1.14%	N/A	
Goddard School	20	0.60%	N/A	

Source: Borough of West Long Branch Tax Assessor

N/A: At the time of the CAFR completion, this data was not yet available

WEST LONG BRANCH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>Function/Program</u>										
Instruction:										
Regular	50	54	60	58	55	55	58	57	57	57
Special education	11	10	8	6	6	6	3	2	2	2
Other special education	7	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and instruction related services	9	1	8	7	8	8	8	8	8	8
General Administration	5	2	2	2	2	2	2	2	2	2
School administration services	2	7	11	6	6	6	6	6	6	6
Other administration services	-	-	-	-	-	-	-	-	-	-
Central services	4	2	2	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	-
Plant operations and maintenance	6	6	6	6	7	7	7	7	7	7
Pupil transportation	6	6	6	6	6	-	-	-	-	-
Other support services	6	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>107</u>	<u>89</u>	<u>104</u>	<u>95</u>	<u>94</u>	<u>88</u>	<u>88</u>	<u>86</u>	<u>86</u>	<u>85</u>

Source: District records.

WEST LONG BRANCH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2003	778	\$ 7,774,099	\$ 9,992	N/A	59	19.1:1	17.1:1	778	743	N/A	95.50%
2004	758	8,421,482	11,110	11.19%	59	19.1:1	23.1:1	756	726	-2.83%	96.03%
2005	746	8,534,327	11,440	2.97%	59	16.4:1	15.7:1	746	718	-1.32%	96.25%
2006	738	9,490,490	12,860	12.41%	58	15.9:1	14.8:1	738	704	-1.07%	95.39%
2007	709	9,682,119	13,656	6.19%	61	18:1	24:1	699	667	-5.28%	95.42%
2008	695	10,272,683	14,781	8.24%	64	17:1	20:1	681	654	-2.58%	96.04%
2009	652	9,976,397	15,301	3.52%	64	10:1	10:1	641	624	-5.87%	97.35%
2010	604	9,752,378	16,146	5.52%	68	8:1	10:1	604	577	-5.77%	95.53%
2011	587	9,662,220	16,460	1.94%	64	8:1	10:1	587	572	-2.81%	97.44%
2012	600	10,166,346	16,944	2.94%	61	10:1	10.3:1	602	576	2.56%	95.68%

Source: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

WEST LONG BRANCH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>District Building</u>										
Elementary										
Betty McElmon Elementary School										
Square feet	30,858	30,858	30,858	30,858	30,858	30,858	30,858	39,052	39,052	39,052
Capacity (students)	320	320	320	320	320	320	320	305	305	305
Enrollment	241	265	260	286	291	291	276	284	289	304
Middle School										
Frank Antonides School										
Square feet	63,388	63,388	63,388	63,388	63,388	63,388	63,388	32,089	32,089	32,089
Capacity (students)	510	510	510	510	510	510	510	475	475	475
Enrollment	359	350	344	366	404	418	462	459	467	474

Number of Schools at June 30, 2011

Elementary = 1

Middle = 1

Sour District records.

Note: The district completed renovations on the conjoined schools in 2006. As part of the renovations, shared areas were realigned as to each school.

Enrollment is based on the annual October district counts.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund
Schedule of Allowable Maintenance Expenditures by School Facilities
For the Fiscal Year Ended June 30, 2012
Unaudited

Undistributed Expenditures - Required
Maintenance for School Facilities
11-000-261-XXX

	Gross Square Footage	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
School Facilities *											
Betty McElmon Elementary School	30,858	\$ 64,308	\$ 48,584	\$ 45,245	\$ 96,744	\$ 142,386	\$ 51,348	\$ 98,306	\$ 45,294	\$ 40,825	\$ 57,107
Frank Antonides School	63,388	132,131	74,626	99,392	140,083	48,019	110,698	87,178	40,166	36,204	50,642
Total School Facilities		196,439	123,210	144,637	236,827	190,405	162,046	185,484	85,460	77,029	107,749
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 196,439	\$ 123,210	\$ 144,637	\$ 236,827	\$ 190,405	\$ 162,046	\$ 185,484	\$ 85,460	\$ 77,029	\$ 107,749

* School facilities as defined under EFCFA (N.J.A.C 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

	Coverage	Deductible
Coverage Provided By: New Jersey School Boards Association Insurance Group Monmouth Ocean County Shared Services Insurance Fund		
Property		
Blanket Real and Personal Property, per occurrence	\$ 5,000,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records, per occurrence	10,000,000	5,000
Demolition and Increased Cost of Construction, per occurrence	10,000,000	
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Sublimits		
Flood Zones (SFHA), per occurrence	10,000,000	
NJSBAIG annual aggregate	10,000,000	
Accounts receivable, per occurrence	250,000	
All other flood zones, per occurrence/NJSBAIG annual aggregate	50,000,000	
Deductible, per member/per occurrence		10,000
Deductibles, Zones Prefix A & V		
Per Building		500,000
Per Building Contents		500,000
Earthquake		
Per Occurrence	50,000,000	
NJSBAIG annual aggregate	50,000,000	
Terrorism		
Per Occurrence	1,000,000	
NJSBAIG annual aggregate	1,000,000	
Electronic Data Processing		
Blanket Hardware/Software, per occurrence	476,416	1,000
Coverage Extensions		
Transit	25,000	
Loss of income	10,000	
Flood, per occurrence	1,000,000	
Zones A & V, per building contents		500,000
All Other Flood Zones, per member/per occurrence		10,000
Equipment Breakdown		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	
Sublimits		
Off Premises Property Damage	100,000	5,000
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Hazardous Substances	500,000	
Newly Acquired Locations (60 days notice)	250,000	
Crime and Fidelity		
Public Employee Dishonesty with Faithful Performance	100,000	500
Theft, Disappearance and Destruction - Loss of Money & Security On or Off Premises	50,000	500
Forgery or Alteration	50,000	500
Computer Fraud	50,000	500

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Coverage Provided By: New Jersey School Boards Association Insurance Group Monmouth Ocean County Shared Services Insurance Fund		
Comprehensive General Liability		
Bodily Injury and Property Damage, Combined Single Limit	\$ 11,000,000	
Bodily Injury from Products and Completed Operations, annual aggregate	11,000,000	
Sexual Abuse		
Per occurrence	11,000,000	
Annual pool aggregate	17,000,000	
Personal Injury and Advertising Injury, per occurrence/annual aggregate	11,000,000	
Employee Benefits Liability, per occurrence/annual aggregate	11,000,000	
Each claim		\$ 1,000
Premise Medical Payments, per accident	10,000	
Limit per person		5,000
Terrorism, per occurrence/annual NJSBAIG aggregate	1,000,000	
Automobiles		
Liability		
Combined Single Limit for Bodily Injury and Personal Damage, per accident	11,000,000	
Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Auto, combined single lin	1,000,000	
Symbol 6 Uninsured/Underinsured Motorists - All other vehicles		
Bodily Injury per Person	15,000	
Bodily Injury per Accident	30,000	
Property Damage per Accident	5,000	
Symbol 5 Personal Injury Protection (including pedestrians)	250,000	
Medical Payments		
Private Passenger Vehicles	10,000	
All other vehicles	5,000	
Terrorism, per occurrence/NJSBAIG annual aggregate	1,000,000	
Physical Damage (Scheduled vehicles only)		
Symbol 7 Comprehensive		1,000
Symbol 7 Collision		1,000
Symbol 7 Hired Car Physical Damage, \$115,000 limit		1,000
School Leaders Errors & Omissions Liability Policy		
Coverage A		
Limit of Liability, each policy period	1,000,000	
Deductible, each claim		5,000
Coverage B, Limit of Liability		
Each Claim	100,000	5,000
Each policy period	300,000	
Workers' Compensation and Employers' Liability Declarations		
Estimated Professional and Clerical	5,283,483	
Estimated Non-Professional and Driver	487,578	
Limits		
Bodily injury by accident, each accident	2,000,000	
Bodily injury by disease, each employee	2,000,000	
Bodily injury by disease, aggregate limit	2,000,000	
Coverage Provided By: Selective Insurance Company of America		
Fidelity Bond		
Treasurer of School Monies	100,000	
Interim Business Administrator	50,000	

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Coverage provided by: Monumental Life Insurance Company		
Student Accident Insurance, Benefit Blanket Coverage including Interscholastic Athletics Except Football Maximum Benefit	\$ 300,000	
Round the Clock Voluntary Student Coverage, excluding school sponsored athletics and activities Maximum Benefit	500,000	
Coverage provided by: ACE American Insurance Company		
Public/Education Entity Pollution Liability Insurance Policy		
Limits of liability, per pollution condition	2,000,000	
Limits of liability, all pollution conditions	11,000,000	
Limits of liability, total policy aggregate	11,000,000	
		\$ 10,000

Source: District records

SINGLE AUDIT SECTION

PADUANO, DiTOMMASO & GOLDA, LLC

Certified Public Accountants and Consultants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

We have audited the financial statements of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the West Long Branch Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the West Long Branch Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Long Branch Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Long Branch Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

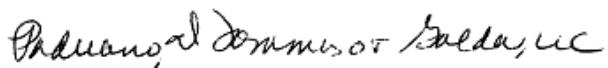
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

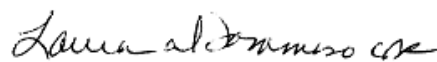
As part of obtaining reasonable assurance about whether the West Long Branch Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the West Long Branch School District in a separate report entitled, Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated October 19, 2012.

This report is intended solely for the information and use of the audit committee, management, the West Long Branch Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Paduano, DiTommaso & Golda, LLC
October 19, 2012



Certified Public Accountant
Licensed Public School Accountant #CS00164

PADUANO, DiTOMMASO & GOLDA, LLC

Certified Public Accountants and Consultants

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

Compliance

We have audited the compliance of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education of the West Long Branch School District's major state programs for the fiscal year ended June 30, 2012. The West Long Branch School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the West Long Branch School District Board of Education's management. Our responsibility is to express an opinion on the West Long Branch School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the West Long Branch Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the West Long Branch School District Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

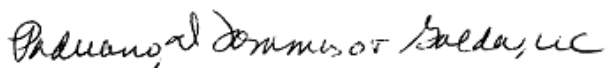
The management of the Board of Education of the West Long Branch School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered West Long Branch Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the West Long Branch Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

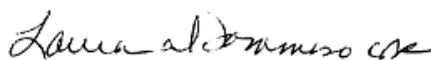
A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the West Long Branch Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Paduano, DiTommaso & Golda, LLC
October 19, 2012



Certified Public Accountant
Licensed Public School Accountant #CS00164

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		
						Deferred Revenue (Accts. Rec.)	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor
				From	To										
U.S. Department of Education															
General Fund:															
Education Jobs Fund	84.410A	N/A	\$ 485	7/1/11	6/30/12	\$ -	\$ -	\$ -	\$ 485	\$ (485)	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I Part A Improving Basic Programs	84.010	NCLB-12	20,609	9/1/11	8/31/12	-	-	-	16,480	(18,611)	-	-	(2,131)	-	-
Title I Part A Improving Basic Programs	84.010	NCLB-11	13,460	9/1/10	8/31/11	(5,383)	-	-	6,850	(1,464)	(3)	-	-	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-12	16,966	9/1/11	8/31/12	-	-	-	4,271	(13,989)	-	-	(9,718)	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-11	20,094	9/1/10	8/31/11	(13,331)	-	-	14,951	(6,579)	-	-	(4,959)	-	-
Title II-D Education Technology	84.318	NCLB-12	26	9/1/11	8/31/12	-	-	-	18	-	-	(18)	-	-	-
Title II-D Education Technology	84.318	NCLB-11	167	9/1/10	8/31/11	(98)	-	-	98	-	-	-	-	-	-
Title IV Safe and Drug Free Schools	84.186	NCLB-11	1,722	9/1/10	8/31/11	(462)	-	-	462	-	-	-	-	-	-
I.D.E.A., Part B:															
IDEA Part B Basic Regular	84.027	FT-12	194,915	9/1/11	8/31/12	-	-	-	128,989	(191,575)	-	-	(62,586)	-	-
IDEA Part B Basic Regular	84.027	FT-11	187,079	9/1/10	8/31/11	(62,608)	-	-	108,376	(45,768)	-	-	-	-	-
ARRA-IDEA Part B Basic Regular	84.391	ARRA-09	213,104	7/1/09	8/31/11	(36,040)	-	-	91,275	(55,235)	-	-	-	-	-
IDEA Part B Preschool	84.173	PS-11	11,953	9/1/10	8/31/11	-	-	-	3,541	(3,541)	-	-	-	-	-
IDEA Part B Preschool	84.173	PS-12	11,997	9/1/11	8/31/12	-	-	-	-	(11,997)	-	-	(11,997)	-	-
ARRA-IDEA Part B Preschool	84.392	ARRA-09	7,709	9/1/10	8/31/11	-	-	-	1,058	(1,058)	-	-	-	-	-
Total Special Revenue Fund						(117,922)	-	-	376,369	(349,817)	(3)	(18)	(91,391)	-	-
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	10,116	7/1/11	6/30/12	-	-	-	10,116	(8,947)	-	-	-	1,169	-
Food Distribution Program	10.550	N/A	7,700	7/1/10	6/30/11	3,131	-	-	-	(3,131)	-	-	-	-	-
National School Lunch Program	10.555	N/A	29,880	7/1/11	6/30/12	-	-	-	24,537	(29,880)	-	-	(5,343)	-	-
National School Lunch Program	10.555	N/A	27,886	7/1/10	6/30/11	(1,937)	-	-	1,937	-	-	-	-	-	-
Total Enterprise Fund						1,194	-	-	36,590	(41,958)	-	-	(5,343)	1,169	-
Total Federal Awards						\$ (116,728)	\$ -	\$ -	\$ 413,444	\$ (392,260)	\$ (3)	\$ (18)	\$ (96,734)	\$ 1,169	\$ -

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2011					Repayment of Prior Years' Balances	Balance at June 30, 2012			Memo		
					Deferred Revenue (Accts. Rec.)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments		Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Categorical Special Education Aid	12-495-034-5120-089	\$ 203,354	7/1/11	6/30/12	\$ -	\$ -	\$ 185,339	\$ (203,354)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,015	\$ 203,354	
Extraordinary Special Education Costs Aid	12-495-034-5120-044	18,308	7/1/11	6/30/12	-	-	-	(18,308)	-	-	-	-	-	18,308	18,308	
Nonpublic Transportation Cost Aid	12-100-034-5120-068	7,443	7/1/11	6/30/12	-	-	-	(7,443)	-	-	-	-	-	7,443	7,443	
On behalf TPAF Pension Contribution	12-495-034-5095-006	393,243	7/1/11	6/30/12	-	-	379,130	(393,243)	-	-	(14,113)	-	-	-	393,243	
Reimbursed TPAF Social Security Contribution	12-495-034-5095-002	275,363	7/1/11	6/30/12	-	-	275,363	(275,363)	-	-	-	-	-	-	275,363	
Total General Fund					-	-	839,832	(897,711)	-	-	(14,113)	-	-	43,766	897,711	
Special Revenue Fund:																
NJ Nonpublic Aid:																
Textbook Aid	12-100-034-5120-064	18,868	7/1/11	6/30/12	-	-	18,868	(18,616)	-	-	-	-	252	-	18,616	
Textbook Aid	11-100-034-5120-064	22,964	7/1/10	6/30/11	-	169	-	-	-	(169)	-	-	-	-	-	
Nursing	12-100-034-5120-070	26,950	7/1/11	6/30/12	-	-	26,950	(26,330)	-	-	-	-	620	-	26,330	
Nursing	11-100-034-5120-070	27,210	7/1/10	6/30/11	-	838	-	-	-	(838)	-	-	-	-	-	
Auxiliary Services:																
Compensatory Education	12-100-034-5120-067	94,340	7/1/11	6/30/12	-	-	94,340	(94,340)	-	-	-	-	-	-	94,340	
Compensatory Education	11-100-034-5120-067	87,411	7/1/10	6/30/11	-	12,057	-	-	-	(12,057)	-	-	-	-	-	
English as a Second Language	12-100-034-5120-067	4,051	7/1/11	6/30/12	-	-	4,051	(4,051)	-	-	-	-	-	-	4,051	
English as a Second Language	11-100-034-5120-067	5,977	7/1/10	6/30/11	-	5,123	-	-	-	(5,123)	-	-	-	-	-	
Transportation	12-100-034-5120-068	11,890	7/1/11	6/30/12	-	-	11,890	(11,890)	-	-	-	-	-	-	11,890	
Handicapped Services:																
Examination and Classification	12-100-034-5120-066	44,610	7/1/11	6/30/12	-	-	44,610	(44,610)	-	-	-	-	-	-	44,610	
Corrective Speech	12-100-034-5120-066	33,807	7/1/11	6/30/12	-	-	33,807	(33,807)	-	-	-	-	-	-	33,807	
Supplemental Instruction	12-100-034-5120-066	30,516	7/1/11	6/30/12	-	-	30,516	(30,516)	-	-	-	-	-	-	30,516	
Total Special Revenue Fund					-	18,187	265,032	(264,160)	-	(18,187)	-	-	872	-	264,160	
Capital Projects Fund:																
Educational Facilities Construction And Financing																
Betty McElmon School Attic Insulation	5640-080-10-1001	192,334	7/1/10	6/30/12	(36,283)	-	103,988	(67,705)	-	-	-	-	-	-	103,988	
Total Capital Projects Fund					(36,283)	-	103,988	(67,705)	-	-	-	-	-	-	103,988	
State Department of Agriculture																
Enterprise Fund:																
State School Lunch Program	12-100-010-3360-067	1,771	7/1/11	6/30/12	-	-	1,458	(1,771)	-	-	(313)	-	-	-	1,771	
State School Lunch Program	11-100-010-3360-067	1,907	7/1/10	6/30/11	(227)	-	227	-	-	-	-	-	-	-	-	
Total Enterprise Fund					(227)	-	227	-	-	-	-	-	-	-	-	
Total State Financial Assistance					\$ (36,510)	\$ 18,187	\$ 1,209,079	\$ (1,229,576)	\$ -	\$ (18,187)	\$ (14,113)	\$ -	\$ 872	\$ 43,766	\$ 1,265,859	

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, West Long Branch School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$21,286 for the general fund and \$6,961 for the special revenue fund. See C-3 for reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following schedule:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 485	\$ 876,425	\$ 876,910
Special revenue fund	328,382	287,879	616,261
Capital projects fund	-	67,705	67,705
Food service fund	<u>39,996</u>	<u>1,770</u>	<u>41,766</u>
Total awards and financial assistance	<u>\$ 368,863</u>	<u>\$ 1,233,779</u>	<u>\$ 1,602,642</u>

WEST LONG BRANCH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2012

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. ADJUSTMENTS

The adjustment column on Schedule A and B arises from favorable differences incurred in the liquidation of encumbrances which were charged as budgetary basis expenditures in the prior fiscal year.

NOTE 6. OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions, respectively. The amount reported as TPAF pension contributions represent the amount paid by the State on behalf of the District for the year ended June 30, 2012. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2012 amounted to \$393,243.

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? ☐ yes ☒ no
2. Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to basic financial statements noted? ☐ yes ☒ no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? ☐ yes ☒ no
2. Significant deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ☐ yes ☒ no

Identification of Non-Major Programs tested as Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.391</u>	<u>ARRA IDEA Part B Basic</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012
(continued)

Part I – Summary of Auditor's Results (cont'd)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300.000

Auditee qualifies as low-risk auditee? ☒ yes ☐ no

Internal Control over major programs:

1. Material weakness(es) identified? ☐ yes ☒ no
2. Significant deficiencies identified that are not considered to be material weaknesses ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? ☐ yes ☒ no

Identification of Major Programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
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Identification of Non Major Programs tested as Major Programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<hr/>	<hr/>
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WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Part II – Schedule of Financial Statement Findings

This section identified the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards

No matters were reported.

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

Part III – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identified the significant deficiencies, material weaknesses, and instance of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and NJ OMB Circular 04-04.

No matters were reported.

WEST LONG BRANCH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2012

This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

There were no prior-year audit findings for the fiscal year ended June 30, 2011 that we are required to report on.